A COMPARATIVE STUDY OF WOMEN EMPOWERMENT INDEX WITH REFERENCE TO SELF HELP GROUPS

Dr. M. V. S. Mahendra¹ M. V. Sivaram Naidu²

INTRODUCTION

Micro finance is considered as a key strategy in addressing the poverty alleviation and women empowerment. Both the central and state government has taken up several strategies to improve the status of women. The Government of Andhra Pradesh and Telangana have taken a crucial role in the empowerment of women through micro finance. Given this backdrop, the present study is necessitated to examine the level of women empowerment in the state of Andhra Pradesh and Telangana.

OBJECTIVES OF STUDY

- To construct the WEI (Women Empowerment Index) based on select indictors.
- To determine the level of SHG women among the three districts of the study.

RESEARCH METHODOLOGY

Sample Size

For the purpose of the study, a sample of 440 SHG members has been selected at random using stratified random sampling technique. The following table gives the details of sample break up.

<table>
<thead>
<tr>
<th>Name of the District</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anantapur</td>
<td>150</td>
</tr>
<tr>
<td>Krishna</td>
<td>143</td>
</tr>
<tr>
<td>Mahabubnagar</td>
<td>147</td>
</tr>
<tr>
<td>Total</td>
<td>440</td>
</tr>
</tbody>
</table>

Tools for Analysis

The following statistical tools were used for the purpose of present study a) Multiple Regression Analysis, b) ANOVA, and c) Chi Square.

Reliability Statistics

The Cronbach’s Alpha reliability test is used to determine how reliable a multi-item scale may be for the given population. It is a measure of internal consistency that is how closely a set of items are related as a group. The Cronbach’s Alpha is 0.945 it means that the internal consistency of the questionnaire is excellent and reliable.

HYPOTHESIS

There is no significant difference between the districts and level of empowerment.

DATA ANALYSIS

Women’s empowerment is a multidimensional measure. It includes the entire complex of roles, rights, standard of living and income generation of women. In the present study, an attempt is made to measure women’s empowerment being a member of self-help group. For the purpose of measurement of women’s empowerment index is constructed. The index is constructed based on the following factors (indicators).

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• Standard of living (Economic Factor),
• Skill Development (Skill),
• Knowledge of Rights and Entitlements (Rights),
• Contest in the Local Elections (Political),
• Participation in Social Activities (Social).

The performance of each indicator is expressed as the minimum and maximum value, which ranges between zero to one. The value of each indicator is constructed in accordance with the Human Development Index (UNDP, 2005) (Mostofa et al, 2008).

\[ IV_{ij} = (R_{ij}) - \text{Min} (R_{ij}) / \text{Max} (R_{ij}) - \text{Min} (R_{ij}) \]

Where \( IV_{ij} \) refers to Index value of \( i^{th} \) respondent of \( j^{th} \) indicator and \( R_{ij} \) refers to rate of the \( i^{th} \) resondent of \( j^{th} \) indicator.

The women empowerment index (WEI) is calculated based on the simple average of above indicators

\[ \text{WEI} = 1/5 \ (\text{standard of living}) + 1/5 \ (\text{skill development}) + 1/5 \ (\text{knowledge of rights and entitlements}) + 1/5 \ (\text{contest in local elections}) + 1/5 \ (\text{participation in social activities}). \]

The WEI lies between 0 to 1. The value of ‘0’ refers to deprived of development and value of ‘1’ refers to full development. (UNDP, HDI 2005). Based on the UNDP, HDI the researcher has classified the empowerment into three categories.

<table>
<thead>
<tr>
<th>Index Value</th>
<th>Level of Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEI greater than or equal to 0.8</td>
<td>High level of empowerment</td>
</tr>
<tr>
<td>WEI greater than or equal to 0.5 but less than 0.8</td>
<td>Medium level of empowerment</td>
</tr>
<tr>
<td>WEI less than 0.5</td>
<td>Low level of empowerment</td>
</tr>
</tbody>
</table>

The following results were obtained based on women empowerment index.

Table-2: Representing the Level of Empowerment in the Three Districts of Study

<table>
<thead>
<tr>
<th>Level of Empowerment / District</th>
<th>High Level of Empowerment</th>
<th>Medium level of Empowerment</th>
<th>Low level of Empowerment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anantapur</td>
<td>5 (3.3)</td>
<td>43 (28.67)</td>
<td>102 (68)</td>
<td>150</td>
</tr>
<tr>
<td>Krishna</td>
<td>3(2.1)</td>
<td>54 (37.7)</td>
<td>86 (60)</td>
<td>143</td>
</tr>
<tr>
<td>Mahabubnagar</td>
<td>4 (2.7)</td>
<td>52 (35.3)</td>
<td>91 (62)</td>
<td>147</td>
</tr>
<tr>
<td>Total</td>
<td>12 (2.7)</td>
<td>149 (33.8)</td>
<td>279 (63.5)</td>
<td>440</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-2 represents the level of empowerment in the three districts of study. 1st column represents the name of the district. Column 2 shows the details of high level of empowerment, 3rd column represents the details of medium level of respondents. 4th column shows the details of low level of empowerment and the last column represents the total number of respondents.

It is observed from the above table 2.7% of the total respondents are in the group of high level of empowerment, 33.8% of the respondents belong to the category of medium level of empowerment and 63.5% of the respondents belong to the category of low level of empowerment.

To know whether there is any variation in the level of empowerment among the three districts of study, the researcher has conducted a chi square test.

\[ H_0: \text{There is no significant difference between the regions (districts) and level of empowerment}. \]  
\[ H_1: \text{There is a significant difference between the regions (districts) and level of empowerment}. \]

Tools for analysis: Chi Square test at 95% confidence level at 4 d.f.
Table 3

<table>
<thead>
<tr>
<th>Observed Values (Oi)</th>
<th>Expected Values (Ei)</th>
<th>(Oi - Ei)</th>
<th>(Oi - Ei)^2/Ei</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4.1</td>
<td>0.81</td>
<td>0.197</td>
</tr>
<tr>
<td>43</td>
<td>50.8</td>
<td>60.84</td>
<td>1.197</td>
</tr>
<tr>
<td>102</td>
<td>95.1</td>
<td>47.61</td>
<td>0.501</td>
</tr>
<tr>
<td>3</td>
<td>3.9</td>
<td>0.81</td>
<td>0.208</td>
</tr>
<tr>
<td>54</td>
<td>48.4</td>
<td>31.36</td>
<td>0.648</td>
</tr>
<tr>
<td>86</td>
<td>90.7</td>
<td>22.09</td>
<td>0.243</td>
</tr>
<tr>
<td>4</td>
<td>4.1</td>
<td>0.01</td>
<td>0.0002</td>
</tr>
<tr>
<td>52</td>
<td>49.7</td>
<td>5.29</td>
<td>0.106</td>
</tr>
<tr>
<td>91</td>
<td>93.2</td>
<td>4.84</td>
<td>0.052</td>
</tr>
<tr>
<td>440</td>
<td>440</td>
<td></td>
<td>3.1522</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The chi square calculated value is equal to 3.1522 and the chi square tabulated value at 95% confidence level at 4 d.f. is equal to 9.49. Since the chi square calculated value is less than the tabulated value, the null hypothesis is rejected and we concluded that there is no significant difference in the regions (districts) and level of empowerment.

To understand the impact of microfinance (self-help group) on women empowerment, the researcher has conducted a multivariate regression analysis. The WEI (Women Empowerment Index) is considered as a dependent variable and the age of the respondent, education level, duration in the group, number of times loan taken, self-confidence and contest in elections were taken as the independent variables. The multiple regression model is

\[ WEI = \alpha + \beta_1 \text{Age} + \beta_2 \text{Education} + \beta_3 \text{Duration} + \beta_4 \text{Loans taken} + \beta_5 \text{Self Confidence} + \beta_6 \text{Contest in Elections} \]

| Table 4: Descriptive Statistics |
|-------------------------------|-----------------|-----------------|
|                               | Mean            | Std. Deviation  | N   |
| WEI                           | .4298           | .19290          | 440 |
| Age                           | 3.86            | .675            | 440 |
| Education                     | 1.75            | 1.058           | 440 |
| Duration                      | 3.10            | .943            | 440 |
| Loans taken                   | 2.50            | 1.056           | 440 |
| Self Confidence               | 3.10            | 1.302           | 440 |
| Contest in Elections          | 2.20            | .738            | 440 |

Sources: Authors Compilation

Table 5: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R^2</th>
<th>Adj R^2</th>
<th>Std. error</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R^2 change</td>
</tr>
<tr>
<td>1</td>
<td>.602</td>
<td>.363</td>
<td>.354</td>
<td>.155</td>
<td>.363</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the 'Model Summary' table the following summary statistics are reported R = .602, R^2 = .363, Adjusted R^2 = .354, S_e = .155. Let us explore their implications for the accuracy of the estimated regression line.

The sample multiple correlation coefficient R = .602 measures the degree of relationship between the actual values (y) and the predicted values (ŷ) of WEI. Because the ŷ values are obtained as a linear combination of age of the respondent, education level of the respondent, duration of the member in the self-help group, number of times loan taken, level of self-confidence, contest in elections. The coefficient value of .602 indicates that the relationship between WEI and the six IVs is quite strong and positive.
The sample Coefficient of Determination $R$-square or $R^2$ measures the goodness-of-fit of the estimated line in terms of the proportion of the variation in the DV explained by the fitted sample regression equation. Thus, the value of $R^2 = 0.363$ simply means that about 36% of the variation in WEI is explained or accounted for by the estimated regression line that uses the six IVs.

Adjusted R-Square (or $R^2$ with a bar over it) is the sample Coefficient of Determination after adjusting for the degrees of freedom lost in the process of estimating the regression parameters. Hence, the adjusted $R$-square is a better measure of the goodness-of-fit of the estimated line than its nominal/unadjusted counterpart. It is always smaller in value than the unadjusted.

ANOVA

The null hypothesis ($H_0$) to verify is that all of the IVs in the model, considered together, have no causal effect on the DV; in which case the LRM that relates these IVs to the DV does not exist. The alternative hypothesis ($H_1$) is that that is not the case; indeed one, if not all, of the IVs significantly influences the DV. The formats of both $H_0$ and $H_1$ are:

$H_0$: $B_1 = B_2 = B_3 = B_4 = B_5 = B_6 = 0$ vs $H_1$: They are all not equal to zero; at least one is nonzero.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>d.f.</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>5.928</td>
<td>6</td>
<td>0.988</td>
<td>41.108</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>10.407</td>
<td>433</td>
<td>0.024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15.335</td>
<td>439</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The significant value is 0.000, which indicates the null hypothesis is rejected and we can conclude that model is fit for multiple regression analysis.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.015</td>
<td>.049</td>
<td>.312</td>
<td>0.755</td>
</tr>
<tr>
<td>Age</td>
<td>-.0003</td>
<td>.011</td>
<td>0.000</td>
<td>1.00</td>
</tr>
<tr>
<td>Education</td>
<td>-.003</td>
<td>.007</td>
<td>-.019</td>
<td>.475</td>
</tr>
<tr>
<td>Duration</td>
<td>.004</td>
<td>.008</td>
<td>.022</td>
<td>.533</td>
</tr>
<tr>
<td>Loans taken</td>
<td>.019</td>
<td>.007</td>
<td>.104</td>
<td>2.587</td>
</tr>
<tr>
<td>Self Confidence</td>
<td>.065</td>
<td>.006</td>
<td>.437</td>
<td>10.464</td>
</tr>
<tr>
<td>Contest in Elections</td>
<td>.072</td>
<td>.022</td>
<td>.275</td>
<td>6.602</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

This table contains the estimated regression coefficients; hence, the estimated equation can be written as $WEI = 0.015 - 0.0003age - 0.003education + 0.004 duration + 0.019 loans taken + 0.065 self-confidence + 0.072 contest in elections.

CONCLUSIONS

The following conclusions are drawn from the above analysis:

- 63.5% of the women are still in low level of empowerment and only 2.7% of the women are in high level of empowerment
- There is no significant difference among the three districts in terms of level of empowerment.
- Age, education and duration of the women in SHG group are not much significant in the process of women empowerment.
- The number of times loan taken, self-confidence and contest in elections are significant in the process of women empowerment.
- Age and education have a negative affect where as the other factors has a positive impact on women empowerment index.
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IMPACT OF ECONOMIC REFORMS IN PUBLIC EXPENDITURE OF TAMIL NADU

G. Mahalakshmi^3 Dr. C. Ramesh^4

ABSTRACT

In India, economic reform was introduced by the government in July 1991 to correct imbalances at both micro and macro levels and put the economy on to a higher trajectory. Compression of public expenditure is considered as one of the important principle of economic reform. Therefore, there is a continuous debate about the impact of reform on Indian economy. Central Government’s reform measures introduced in India have affected States’ budgets in many ways. Given this background, an attempt has been made to examine the trends in total expenditure including both revenue and capital account, developmental expenditure and expenditure on social sector during the pre-reform (1971-72 to 1990-91) and post reform (1991-92 to 2013-15) period.

KEYWORDS

Economic Reform, Public Expenditure, Income Elasticity etc.

INTRODUCTION

Public expenditure refers to the expenses of the public authorities- Central, State, and Local Governments- either in protecting the citizens or in promoting their economic and social welfare. The study of public expenditure was neglected in the nineteenth century because of the mistaken belief that public expenditure was a waste. Adam Smith and his followers argued that “Laissez Faire” policy would promote the individual freedom, the best use of economic resources and economic growth. Laissez faire doctrine lost its significance and the demand for Government intervention grew at the beginning of the 20th century. Today, Governments have started taking up so many functions and services, which would not have been performed in the past, and there is no activity, which the state cannot undertake, no sphere in which it cannot enter. Therefore at present, public expenditures is a powerful instrument for social and economic policy for a richer life.

In India, economic reform was introduced by the government in July 1991 to correct imbalances at both micro and macro levels and put the economy on to a higher trajectory. Its main goal is to improve efficiency and growth, through free competition in an open market economy (Gupta 1995). Compression of public expenditure is considered as one of the important principle of economic reform. Therefore, there is a continuous debate about the impact of reform on Indian economy. The anti-reformers argue that economic reforms would adversely affect the poor and the pro-reformers argue that reforms would increase efficiency and higher growth and in turn reduce poverty. Central Government’s reform measures introduced in India have affected States’ budgets in many ways. Given this background, an attempt has been made to address the following questions (i). What is the impact of economic reform on total expenditure of Tamil Nadu? (ii) Are there any changes in the composition of total expenditure? (iii). Whether economic reform brings down expenditure on social services? Generally “before and after” approaches are used for analyzing the impact of economic reforms” (S. Mahendra Dev 2003:823)

HYPOTHESES

- Economic reforms bring the compression of public expenditure during the post reform period.
- Economic reforms have the impact of expenditure contraction in social services during the post reform period.
- Income elasticity of public expenditure is less than unity during the post reform period.

METHODOLOGY USED

Compound Annual Growth Rate has been computed to understand the growth trend of expenditure in the state Tamil Nadu during the pre and post reform periods with the help of the following formula:

\[ Y = ab^x \]

To find the income elasticity of expenditure, regression coefficient was calculated based on exponential type of relationship between the dependent variable per capita expenditure and the independent variable per capita state income by employing the following formula.

\[ \log Y = a + b \log X \]
RESULTS AND DISCUSSION

The growth pattern of public expenditure including both revenue and capital account in the state of Tamil Nadu during the pre and post reform period is shown in the following table.

<table>
<thead>
<tr>
<th>Year</th>
<th>TE</th>
<th>PE</th>
<th>% to NSDP</th>
<th>Year</th>
<th>TE</th>
<th>PE</th>
<th>% to NSDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-72</td>
<td>392.82</td>
<td>95.35</td>
<td>14.57</td>
<td>1991-92</td>
<td>8958.61</td>
<td>1603.79</td>
<td>27.49</td>
</tr>
<tr>
<td>1972-73</td>
<td>452.45</td>
<td>107.93</td>
<td>15.94</td>
<td>1992-93</td>
<td>8864.90</td>
<td>1568.63</td>
<td>23.38</td>
</tr>
<tr>
<td>1973-74</td>
<td>506.45</td>
<td>118.77</td>
<td>14.76</td>
<td>1993-94</td>
<td>9308.52</td>
<td>1628.26</td>
<td>18.02</td>
</tr>
<tr>
<td>1974-75</td>
<td>567.91</td>
<td>130.97</td>
<td>15.61</td>
<td>1994-95</td>
<td>10314.90</td>
<td>1783.87</td>
<td>16.83</td>
</tr>
<tr>
<td>1975-76</td>
<td>625.89</td>
<td>141.98</td>
<td>16.81</td>
<td>1995-96</td>
<td>11501.51</td>
<td>1966.82</td>
<td>16.50</td>
</tr>
<tr>
<td>1976-77</td>
<td>683.67</td>
<td>152.59</td>
<td>15.88</td>
<td>1996-97</td>
<td>1394.53</td>
<td>2364.95</td>
<td>17.68</td>
</tr>
<tr>
<td>1977-78</td>
<td>746.65</td>
<td>164.01</td>
<td>15.85</td>
<td>1997-98</td>
<td>16418.64</td>
<td>2746.18</td>
<td>17.71</td>
</tr>
<tr>
<td>1978-79</td>
<td>811.85</td>
<td>175.55</td>
<td>16.16</td>
<td>1998-99</td>
<td>18850.72</td>
<td>3118.82</td>
<td>17.83</td>
</tr>
<tr>
<td>1979-80</td>
<td>917.14</td>
<td>195.28</td>
<td>15.05</td>
<td>1999-2000</td>
<td>21372.76</td>
<td>3498.19</td>
<td>17.85</td>
</tr>
<tr>
<td>1980-81</td>
<td>1237.31</td>
<td>259.46</td>
<td>17.14</td>
<td>2000-01</td>
<td>23299.32</td>
<td>3773.09</td>
<td>17.87</td>
</tr>
<tr>
<td>1981-82</td>
<td>1503.42</td>
<td>310.57</td>
<td>17.33</td>
<td>2001-02</td>
<td>23334.88</td>
<td>3739.20</td>
<td>17.76</td>
</tr>
<tr>
<td>1982-83</td>
<td>1726.83</td>
<td>351.32</td>
<td>19.58</td>
<td>2002-03</td>
<td>27315.24</td>
<td>4309.80</td>
<td>19.76</td>
</tr>
<tr>
<td>1983-84</td>
<td>2093.31</td>
<td>419.52</td>
<td>19.75</td>
<td>2003-04</td>
<td>28860.84</td>
<td>4484.80</td>
<td>18.76</td>
</tr>
<tr>
<td>1984-85</td>
<td>2375.98</td>
<td>469.16</td>
<td>19.75</td>
<td>2004-05</td>
<td>3378.84</td>
<td>5161.63</td>
<td>17.41</td>
</tr>
<tr>
<td>1985-86</td>
<td>2602.23</td>
<td>506.38</td>
<td>19.02</td>
<td>2005-06</td>
<td>36063.23</td>
<td>5439.47</td>
<td>15.76</td>
</tr>
<tr>
<td>1986-87</td>
<td>2944.66</td>
<td>564.83</td>
<td>19.24</td>
<td>2006-07</td>
<td>44217.34</td>
<td>6572.87</td>
<td>15.98</td>
</tr>
<tr>
<td>1987-88</td>
<td>3554.35</td>
<td>672.17</td>
<td>19.57</td>
<td>2007-08</td>
<td>50437.24</td>
<td>7390.53</td>
<td>16.07</td>
</tr>
<tr>
<td>1988-89</td>
<td>3935.33</td>
<td>737.24</td>
<td>19.36</td>
<td>2008-09</td>
<td>62694.56</td>
<td>9057.41</td>
<td>17.44</td>
</tr>
<tr>
<td>1989-90</td>
<td>4944.14</td>
<td>909.37</td>
<td>20.66</td>
<td>2009-10</td>
<td>67947.94</td>
<td>9680.24</td>
<td>15.80</td>
</tr>
<tr>
<td>1990-91</td>
<td>5863.78</td>
<td>1063.94</td>
<td>21.19</td>
<td>2010-11</td>
<td>85352.57</td>
<td>11993.50</td>
<td>16.17</td>
</tr>
<tr>
<td>CAGR</td>
<td>15.37</td>
<td>13.66</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAGR</td>
<td>15.37</td>
<td>13.66</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Expenditure on per head amounted to Rs.95.35 in 1971-72, went up to Rs.1063.94, thus registering a growth 13.66 per cent in a period of twenty years. After the implementation of economic reforms, per capita expenditure has increased and recorded 11.74 percent growth for the period of twenty-three years. It is clear that, when compared with pre-reform period, the growth rate of total and per capita expenditure is less during the post-reform period. In the pre reform period the share of government expenditure in the state domestic product had increased from 14.57 per cent in 1971-72 to 21.19 percent in 1990-91. The rising share implies continuous expansion of state government activity in the pre reform period. However, during the post reform period the share of government expenditure in the state domestic product has declined from 27.49 per cent in 1991-92 to 16.46 per cent in 2013-14. It implies that in the state Tamil Nadu, the fiscal deficit has been reduced by the way of compressing public expenditure. Hence, our first hypothesis “economic reforms have the impact of expenditure contraction” is proved.

Table-2: Growth Trend of Developmental Expenditure

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TE</th>
<th>PE</th>
<th>% to TE</th>
<th>YEAR</th>
<th>TE</th>
<th>PE</th>
<th>% to TE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-72</td>
<td>248.70</td>
<td>60.37</td>
<td>63.31</td>
<td>1991-92</td>
<td>7034.34</td>
<td>1259.30</td>
<td>78.52</td>
</tr>
<tr>
<td>1972-73</td>
<td>327.85</td>
<td>78.21</td>
<td>72.46</td>
<td>1992-93</td>
<td>6533.58</td>
<td>1159.64</td>
<td>73.93</td>
</tr>
<tr>
<td>1973-74</td>
<td>355.07</td>
<td>83.27</td>
<td>70.11</td>
<td>1993-94</td>
<td>6682.40</td>
<td>1168.90</td>
<td>71.79</td>
</tr>
<tr>
<td>1974-75</td>
<td>408.76</td>
<td>94.27</td>
<td>71.98</td>
<td>1994-95</td>
<td>7298.05</td>
<td>1262.13</td>
<td>70.75</td>
</tr>
<tr>
<td>1975-76</td>
<td>447.56</td>
<td>101.53</td>
<td>71.51</td>
<td>1995-96</td>
<td>7848.33</td>
<td>1342.10</td>
<td>68.24</td>
</tr>
<tr>
<td>1976-77</td>
<td>481.20</td>
<td>107.40</td>
<td>70.38</td>
<td>1996-97</td>
<td>9526.95</td>
<td>1611.12</td>
<td>68.12</td>
</tr>
<tr>
<td>1977-78</td>
<td>527.38</td>
<td>115.85</td>
<td>70.63</td>
<td>1997-98</td>
<td>10860.96</td>
<td>1816.60</td>
<td>66.15</td>
</tr>
<tr>
<td>1979-80</td>
<td>659.02</td>
<td>140.32</td>
<td>71.86</td>
<td>1999-2000</td>
<td>12448.61</td>
<td>2037.53</td>
<td>58.25</td>
</tr>
</tbody>
</table>
The developmental expenditure is one, which will promote the development of the economy. It constitutes more than 70 per cent of the total expenditure in all the years except 1971-72 during the pre-reform period. However, the share of this item in total expenditure decreased during the post-reform period and more than 70 per cent only in four years. It means that non-developmental expenditure has growth after the introduction of economic reforms. That is, non-developmental expenditure increased at the expense of developmental expenditure in the post reform period. Moreover, the growth rate of developmental expenditure in both absolute and per capita term is comparatively less in the post reform period than pre reform period. Social and Community Services or Social Sectors include those sectors where government interventions are expected to have a direct influence on human development, such as, education, health and family welfare, water supply and sanitation, social security and welfare, and nutrition. Investment in social services makes the labour force more productive, healthy and efficient, which taken together contribute to higher economic growth.

### Table 3: Growth Trend of Public Expenditure on Social Sector

<table>
<thead>
<tr>
<th>YEAR</th>
<th>T.E</th>
<th>P.E</th>
<th>%</th>
<th>YEAR</th>
<th>T.E</th>
<th>P.E</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-72</td>
<td>121.00</td>
<td>29.37</td>
<td>30.80</td>
<td>1991-92</td>
<td>2965.26</td>
<td>530.85</td>
<td>33.10</td>
</tr>
<tr>
<td>1972-73</td>
<td>190.44</td>
<td>45.43</td>
<td>42.09</td>
<td>1992-93</td>
<td>3241.22</td>
<td>573.53</td>
<td>36.56</td>
</tr>
<tr>
<td>1973-74</td>
<td>183.76</td>
<td>43.09</td>
<td>36.28</td>
<td>1993-94</td>
<td>3676.75</td>
<td>643.14</td>
<td>39.50</td>
</tr>
<tr>
<td>1974-75</td>
<td>232.28</td>
<td>53.57</td>
<td>40.90</td>
<td>1994-95</td>
<td>3955.24</td>
<td>684.02</td>
<td>38.34</td>
</tr>
<tr>
<td>1975-76</td>
<td>252.34</td>
<td>57.24</td>
<td>40.32</td>
<td>1995-96</td>
<td>4562.28</td>
<td>780.17</td>
<td>39.67</td>
</tr>
<tr>
<td>1976-77</td>
<td>277.25</td>
<td>61.88</td>
<td>40.55</td>
<td>1996-97</td>
<td>5329.35</td>
<td>901.26</td>
<td>38.11</td>
</tr>
<tr>
<td>1977-78</td>
<td>305.18</td>
<td>67.04</td>
<td>40.87</td>
<td>1997-98</td>
<td>5860.32</td>
<td>980.20</td>
<td>35.69</td>
</tr>
<tr>
<td>1978-79</td>
<td>328.55</td>
<td>71.05</td>
<td>40.47</td>
<td>1998-99</td>
<td>7329.34</td>
<td>1212.63</td>
<td>38.88</td>
</tr>
<tr>
<td>1979-80</td>
<td>367.29</td>
<td>78.20</td>
<td>40.05</td>
<td>1999-2000</td>
<td>7914.14</td>
<td>1295.35</td>
<td>37.03</td>
</tr>
<tr>
<td>1980-81</td>
<td>452.29</td>
<td>94.85</td>
<td>36.55</td>
<td>2000-01</td>
<td>8426.36</td>
<td>1364.56</td>
<td>36.17</td>
</tr>
<tr>
<td>1981-82</td>
<td>559.38</td>
<td>115.56</td>
<td>37.21</td>
<td>2001-02</td>
<td>8343.06</td>
<td>1336.90</td>
<td>35.75</td>
</tr>
<tr>
<td>1982-83</td>
<td>741.93</td>
<td>150.94</td>
<td>42.96</td>
<td>2002-03</td>
<td>8590.11</td>
<td>1355.35</td>
<td>31.45</td>
</tr>
<tr>
<td>1983-84</td>
<td>874.19</td>
<td>175.19</td>
<td>41.76</td>
<td>2003-04</td>
<td>10110.02</td>
<td>1571.04</td>
<td>35.03</td>
</tr>
<tr>
<td>1984-85</td>
<td>916.99</td>
<td>181.07</td>
<td>38.59</td>
<td>2004-05</td>
<td>12123.23</td>
<td>1857.19</td>
<td>35.98</td>
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<tr>
<td>1985-86</td>
<td>1218.79</td>
<td>237.17</td>
<td>46.84</td>
<td>2005-06</td>
<td>12437.65</td>
<td>1875.99</td>
<td>34.49</td>
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<tr>
<td>1986-87</td>
<td>1307.45</td>
<td>250.79</td>
<td>44.40</td>
<td>2006-07</td>
<td>14158.45</td>
<td>2104.64</td>
<td>32.02</td>
</tr>
<tr>
<td>1987-88</td>
<td>1447.87</td>
<td>273.81</td>
<td>40.74</td>
<td>2007-08</td>
<td>16964.49</td>
<td>2485.79</td>
<td>33.63</td>
</tr>
<tr>
<td>1988-89</td>
<td>1597.68</td>
<td>297.94</td>
<td>40.41</td>
<td>2008-09</td>
<td>22805.45</td>
<td>3294.68</td>
<td>36.38</td>
</tr>
<tr>
<td>1989-90</td>
<td>2090.71</td>
<td>384.54</td>
<td>42.29</td>
<td>2009-10</td>
<td>25108.18</td>
<td>3577.05</td>
<td>36.95</td>
</tr>
<tr>
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<td>461.09</td>
<td>43.34</td>
<td>2010-11</td>
<td>33032.31</td>
<td>4614.61</td>
<td>38.70</td>
</tr>
<tr>
<td>1991-92</td>
<td>3541.25</td>
<td>561.09</td>
<td>43.34</td>
<td>2011-12</td>
<td>38084.40</td>
<td>5279.31</td>
<td>38.02</td>
</tr>
<tr>
<td>1992-93</td>
<td>4174.25</td>
<td>641.09</td>
<td>43.34</td>
<td>2012-13</td>
<td>43772.55</td>
<td>5987.03</td>
<td>39.21</td>
</tr>
<tr>
<td>1993-94</td>
<td>4738.25</td>
<td>715.09</td>
<td>43.34</td>
<td>2013-14</td>
<td>51984.90</td>
<td>7016.87</td>
<td>40.93</td>
</tr>
</tbody>
</table>

**CAGR** 15.95 14.23

**CAGR** 12.41 10.96

**Sources:** Authors Compilation
The state has registered a faster growth rate of 14.57 percent in per capita term during the pre-reform period. The share of expenditure on social and community services was more than 40 per cent in 15 years during the study period of 20 years. In the case of post reform period, the total expenditure on social sector recorded 11.85 per cent growth. The proportion of social services expenditure in total expenditure is more than 40 per cent only in the last year during the period of 23 years. Hence, our second hypothesis that economic reforms bring compression in social sector expenditure is correct. Many studies have shown that social sector expenditure declined considerably during the reform period and this could affect human development indicators (Seeta Sarma 1994, Guhan 1995, MahendraDev 2000).

### Table-4: Income Elasticity of Public Expenditure (Revenue Account)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Expenditure</th>
<th>Pre Reform</th>
<th>Post Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Expenditure</td>
<td>1.19</td>
<td>0.85</td>
</tr>
<tr>
<td>2</td>
<td>Development Expenditure</td>
<td>1.25</td>
<td>0.75</td>
</tr>
<tr>
<td>3</td>
<td>Expenditure on Social &amp; Community Services</td>
<td>1.23</td>
<td>0.87</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

The fact revealed by the Table that one per cent increase in per capita income has led to 1.19 per cent increase in total revenue expenditure in the pre reform period. Nevertheless, in the post reform period, it has declined to 0.85. This indicates that during the post reform period, the government has spent less when the economy is growing. So, our third hypothesis “Income elasticity of total expenditure during the post reform period is less than unity” is proved.

**CONCLUSION**

When compared with pre-reform period, the growth rate of total, developmental and social and community services is less during the post-reform period. Besides, during the post reform period the share of government expenditure in the state domestic product has declined significantly. It clearly shows that the state Tamil Nadu has successfully reduced the fiscal deficit through compression of public expenditure. The study suggested that, the stress on stepping up of developmental expenditure in the forthcoming year is essential. To achieve long-term inclusive and sustainable development in the economy, the government should increase the budget allotment for social and community services.

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19. Retrieved from https://www.ciaonet.org/attachments/939/uploads...

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SOCIAL NETWORKING: BEWARE WHILE SOCIALIZING

K. Balakrishna, Dr. G. Srinivasa Rao, S. Srinivasa Rao

ABSTRACT

We have conducted a survey of 200 people from various segments. We have come to know about many issues. The main fault of social networking is with the users. Lack of awareness regarding social networking usage is the major problem for any person. People should know how to use the social networking modes. Any person should not share their personal information with an unknown person. We came to know that social networking is useful for business people to increase their publicity, women to increase the social support and empower themselves. It helps the students to get aware of recent happenings and to network themselves. The government should take steps in order to increase the awareness level and decrease the negative impacts. The people who involved in illegal aspects should be strictly punished. Initially high-class people only used the social networking. Now a days people belong to any class irrespective of caste, creed, income, and education level are using the social networking. The reason for this is that smart phones are available at an affordable price even to lower class person.

METHODOLOGY OF STUDY

We have collected the data with the help of both the primary and secondary sources. We have adopted random sampling approach for collecting the data. We have conducted a survey of 200 people from various segments. We have come to know about many issues. The main fault of social networking is with the users. Lack of awareness regarding social networking usage is the major problem for any person. People should know how to use the social networking modes. Any person should not share their personal information with an unknown person.

INTRODUCTION

Social networking is the use of internet-based social media programs to make connections with friends, family, classmates, customers and clients. Social networking can occur for social purposes, business purposes or both through sites such as Facebook, Twitter, LinkedIn, Classmates.com and Yelp. Social networking is also a significant target area for marketers seeking to engage users. Social networking is the practice of expanding the number of one's business and/or social contacts by making connections through individuals. While social networking has gone on almost as long as societies themselves have existed, the unparalleled potential of the Web to facilitate such connections is only now being fully recognized and exploited, through Web-based groups established for that purpose. Marketers use social networking for increasing brand recognition and loyalty. Because it makes the company more accessible to new customers and more recognizable for existing customers, social networking helps promote a brand’s voice and content. For example, a frequent Twitter user may hear of a company for the first time through a news feed and decide to buy a product or service. The more exposed people are to a company’s brand, the greater the company's chances of finding and retaining new customers.

Dis-Advantages of Social Networking

Social Media is Addictive: Studies show that 63% of Americans log on to Facebook daily, and 40% log on multiple times each day. People use the site for myriad reasons; however, it usually serves, on some level, the same basic purposes: distraction and boredom relief. “Likes” and comments are positive reinforcement for posting information, making it difficult for a person to stop. Researchers have found this so common that they created a scale to measure this addiction: The Berge Facebook Addiction Scale.

Social media makes us compare our lives with others: Posts on social media many times present an idealized version of what is happening, what something looks like, or how things are going. This can lead users to constantly compare themselves to others and think less of their own lives. If things are going particularly well for people in your newsfeed and you are having a rough day, of course this will likely negatively affect your mood. In fact, in 2012 a team of researchers in the UK surveyed users, 53% of whom said social media had changed their behavior; 51% said it was negative behavior because of decline in confidence they felt due to unfair comparisons to others.

Social media gives rise to cyberbullying: Cyberbullying is an enormous concern, especially for adolescents. An organization that aims for internet safety, called enough is enough, conducted a survey that found 95% of teenagers who use social media have witnessed cyberbullying, and 33% have been victims themselves.

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7Associate Professor, Aditya PG College, Andhra Pradesh, India, ssanakkayala@gmail.com
Social media can make us unhappy: A study from the University of Michigan collected data about Facebook users and how it correlated with their moods. Simply put, they found that the more avid users were overall unhappy than those who used the site less. Over more time, avid users also reported lower satisfaction in their lives overall.

Social media can lead to fear of missing out, aka FOMO: Fear of missing out is a phenomenon that occurs when you feel pressure to do everything going on around you. This can evoke anxiety and cause social media users to question why everyone is “having fun without them.” Surveys have even found that people feel insecure after using Pinterest because they feel that they are not crafty or creative enough. Facebook and Twitter can make people feel like they are not successful or smart enough.

Social media often leads to multitasking: How many tabs do you have open right now? How are you even concentrating on one thing? The thing is, you are probably not – especially if one of those tabs is a social media site. Research has shown that our brains do not have the capacity to fully focus our attention on two things at once, and instead multitasking causes our brain to quickly switch from one task to another. This hinders information processing and productivity. Closing out your Twitter feed can seriously help you get some work done. Social media is not all about self-taking narcissists, cyberbullies, and killing productivity. When used in moderation with the right intentions, it really can achieve what it was first set out to do: connect people. Which brings us to…

Social media can help with socialization: Research presented at the 119th annual American Psychological Association found that introverted adolescents could actually gain social skills by using social media. In part, this is because shy individuals may feel safer behind a computer screen (or smartphone, or tablet, or… well, you get the idea…it is everywhere). Dr. Larry D. Rosen, who presented the information, also stated that teens were becoming very good at virtually expressing empathy towards others.

Benefits of Social Media for Business

Gain valuable customer insights: Social media generates a huge amount of data about your customers in real time through daily active engagement and social listening; you can gather relevant customer data and use that information to make smarter business decisions. With Hootsuite Insights, for example, you can gather information across all your social networks in real time—allowing you to gauge customer sentiment, find the conversations happening around your brand, and run real-time reports.

Increase brand awareness and loyalty: When you have a presence on social media, you make it easier for your customers to find and connect with you. In addition, by connecting with your customers on social, you are more likely to increase customer retention and brand loyalty. Learn how to connect with customers like never before at Connect via Hootsuite, our virtual conference. Register for free to learn how to use social media at every stage of the buyer’s journey—from engagement and brand awareness, to driving leads and closing sales.

Run targeted ads with real-time results: Social ads are an inexpensive way to promote your business and distribute content. They also offer powerful targeting options so that you can reach the right audience. For example, if you run an ad campaign on LinkedIn, you can segment by things like location, company, job title, gender, and age—the list goes on. If you are running a Facebook ad, you can target based on location, demographics, interests, behaviors, and connections. You can track and measure the performance of your social ads in real time.

Generate higher converting leads: Social media increases sales and customer retention through regular interaction and timely customer service. In the 2015 Sales Best Practices Study from research institute MHI Global, excellent companies rated social media as the most effective way to identify key decision makers and new business opportunities. In the State of Social Selling in 2015, nearly 75 percent of companies that engaged in selling on social media reported an increase in sales in 12 months.

Provide rich customer experiences: Even if you are not on social media, most of your customers expect you to be. Over 67 percent of consumers now go to social media for customer service. They expect fast response times and 24/7 support—and companies that deliver win out. A study by Aberdeen Group shows that companies engaging in social customer service see much bigger annual financial gains (7.5 percent YOY growth) vs. those without (2.9 percent).

Increase website traffic and search ranking: One of the biggest benefits of social media for business is using it to increase your website traffic. Not only does social media help you direct people to your website, but also the more social media shares you receive, the higher your search ranking will be. For example, if every person who follows Hootsuite on Twitter Retweets this post, it is more likely to rank higher in Google’s search engine results page for variations of “social media for business.”

Find out what your competitors are doing: With social media, monitoring you can gain key information about your competitors. This kind of Intel will allow you to make strategic business decisions to stay ahead of them. For example, you can...
create search streams in Hootsuite to monitor industry keywords and mentions of your competitors’ names and products. Based on your search results, you can improve your business to offer product enhancements, service, or content that they may be missing.

**Share content faster and easier:** In the past, marketers faced the challenge of ensuring their content reached customers in the shortest possible time. With the help of social media, specifically when it comes to sharing content about your business or for content curation, all you need to do is share it on your brand’s social network accounts.

**Build relationships:** Social media is not about blasting your company’s sales pitch on social, it is a two-way channel where you have the opportunity to enrich relationships with your customers. For example, social media allows tourism brands to create dialogue with travelers, therefore creating relationships with customers before, during, and after they have booked a trip with the company. This kind of social media dialogue between brands and customers is something traditional advertising cannot achieve.

**ANALYSIS AND INTERPRETATION**

**Table-1: Class of People do you belong**

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle</td>
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</tr>
<tr>
<td>Lower Class</td>
<td>21</td>
</tr>
<tr>
<td>High Class</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

Initially high-class people only used the social networking. Now-a-days people belong to any class irrespective of caste; creed, income, and education level are using the social networking. The reason for this is that smart phones are available at an affordable price even to lower class person.

**Table-2: User of Social Networking (Y/N)**

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>95</td>
</tr>
<tr>
<td>No</td>
<td>05</td>
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<td>Total</td>
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</tbody>
</table>

**Sources:** Authors Compilation

Most of the respondents are the users of social networking. There are people who are benefited by social networking at the same time some of them are adversely affected because of social network.

**Table-3: Why is Social Networking Important for Business People?**

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publicity</td>
<td>39</td>
</tr>
<tr>
<td>Feedback for Business Units</td>
<td>15</td>
</tr>
<tr>
<td>Increase Brand Image</td>
<td>16</td>
</tr>
<tr>
<td>All the Above</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

Social networking is helpful for the business firms primarily to gain the publicity for its products and create a brand image for the business firm. Word of mouth is the best tool for publicizing their products. It is a viral in nature.

**Table-4: Why is Social Networking important for Women Specially?**

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Support</td>
<td>32</td>
</tr>
<tr>
<td>Increase Empowerment</td>
<td>13</td>
</tr>
<tr>
<td>Fight For Right</td>
<td>15</td>
</tr>
<tr>
<td>All The Above</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation
Social networking provides a social support for the women. It enables them to increase their knowledge level and increase the awareness regarding social issues. It also helps in creating employment opportunities for them. It also increases their social status and empower them.

Table-5: Why is Social Networking important for Students?

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know Recent News</td>
<td>32</td>
</tr>
<tr>
<td>Increase Socializing</td>
<td>13</td>
</tr>
<tr>
<td>Networking</td>
<td>15</td>
</tr>
<tr>
<td>All of the Above</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Sources: Authors Compilation*

Students will get the awareness regarding recent issues. They also know about the happenings in the external environment which help them to gain a practical knowledge which help them in the studies, it also help in socializing with others. They cultivate new friends and increases their network.

Table-6: What are the Problems of Social Networking?

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morphing</td>
<td>43</td>
</tr>
<tr>
<td>Non-Personalizing</td>
<td>19</td>
</tr>
<tr>
<td>All of the Above</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Sources: Authors Compilation*

There are many cases where social networking has adverse effects. People started using their moral values. They started taking advantage to involve in morphing, hacking of personal data, involving in illegal activities, spreading a negative word of mode. There are many instances where the victims have committed the suicides.

Table-7: Do you think that Social Networking would Rule the World in Future?

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>08</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Sources: Authors Compilation*

Many of the respondents feel that social networking is the main tool to promote one self. Therefore, there is a chance that it will be gaining an impetus and demand for it will increase in no time.

Table-8: Whose Fault is Defaming the Social Networking?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem with Site Owners</td>
<td>13</td>
</tr>
<tr>
<td>Lack of Awareness Alone</td>
<td>57</td>
</tr>
<tr>
<td>Lack of Regulation</td>
<td>22</td>
</tr>
<tr>
<td>Delay in Redressal</td>
<td>08</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Sources: Authors Compilation*

The main fault of social networking is with the users. Lack of awareness regarding social networking usage is the major problem for any person. People should know how to use the social networking modes. Any person should not share their personal information with an unknown person.

**FINDINGS OF STUDY**

- Social networking is highly useful for every segment of people and every class of people.
Most of the respondents felt that the main reason for negative publicity of social networking is lack of awareness regarding its usage.

- It helps in increasing the networking and socialization.
- It helps a student, women and business firms in order to gain the social support and collect the information regarding recent happenings.
- Any person should not share their personal information with an unknown person.

RECOMMENDATIONS

- Social network should be regulated.
- The government should punish people who involved illegal hacking, morphing.
- Any complaint regarding social networking should be redressed immediately without any delay

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KEY FACTORS INFLUENCING GARMENT RETAILERS’ INTENTIONS OF ADOPTING RFID TECHNOLOGY

Om Prakash C. Dr. Thangavel N.

ABSTRACT

In last 30 years, the usage of RFID (Radio Frequency Identification) technology has shown high growth in developed countries. Internet of things, automation, cost reduction and green technologies have been the focus in recent years. How to make good use of RFID technology in enhancing revenue growth by matching customer needs exactly is an urgent issue. The purpose of this research is to analyze the key factors that affect garment retailers’ intentions of adopting RFID technologies. The research was based on TAM and Roger’s Diffusion of Innovation. It helps us to figure out acceptance model and influencing factors. The result of the research could be used not only for promoting the adoption of RFID technologies, but also for providing insights to Garment Sector. This study interviews 223 retailers to comprehend their attitude and behavior about RFID technologies. These results reinforce some of the past findings of technology diffusion, RFID implementation, and partner relationship literatures. Therefore, to ensure effective RFID technology diffusion, technology promoters and policy makers need to ensure not only that appropriate technology is considered and adopted, but that the retailer’s attitude and competitive technological changes.

KEYWORDS

RFID Technology, Behavioral Intention to Use, Diffusion of Innovation, Structural Equation Modeling etc.

INTRODUCTION

Radio-frequency identification (RFID) is a technology to record the presence of an object using radio signals. It is used for inventory control or timing sporting events. RFID is not a replacement for the barcoding, but a complement for distant reading of codes. The technology is used for automatically identifying a person, a package or an item. To do this, it relies on RFID tags, which are small transponders (combined radio receiver and transmitter) that will transmit identity information over a short distance, to a RFID tag reader. RFID systems are used for tracking a package, parcel, tracking vehicles for road toll, chips in passports, tags in clothing, vehicle keys, and contactless identity cards. Radio Frequency Identification (RFID) Technology was introduced in 1940s, but its adoption in garment sector is still very low. RFID technology has many advantages like contact less, no line of sight required, longer range, read/write capability, read multiple tags simultaneously, and ability to be automated. The limitations of RFID technology are cost of tags, sparse standardization, signal collision, security and privacy issues.

This study hopes to have a deeper understanding of the key factors in terms of how person around the world use the RFID Technologies, to conclude the possible hinders when promoting RFID, and to make suggestions to the expanding of RFID technology and its appliance, to benefit designing relating measures in promoting RFID technology, and offer another way of thinking and choice to all the governments and corporation policies in the world.

This study regards the RFID technology as an advanced technology and to explore garment retailer’s acceptance towards the system. The major goals are as follows: to explore garment retailer’s acceptance towards the RFID technology and to compare different features according to the garment retailer’s behavioral intention to use RFID technology.

THEORETICAL BACKGROUND

Technology Acceptance Model (TAM)

Originally based on Ajzen and Fishbein’s (1980) Theory of Reasoned Action (TRA), the Technology Acceptance Model was first proposed by Davis (1986). The TAM model is one of the dominant theories used to explain the process of user acceptance of high-tech products, mainly from intrinsic perception factors, rather than extrinsic environmental factors. Within the TAM school of thought, ’perceived ease of use’, will simultaneously affect ‘perceived usefulness’ and ‘attitude towards use’. Perceived usefulness will in turn affect both attitude towards usage and ‘intention to use’. Ultimately, attitude towards usage will affect intention to use, which will in turn affect the ‘actual use’ of high-tech products. Other academics also introduced extrinsic environmental factors such as extra-organizational factors (e.g. Igbaria and Zinatelli, 1997) and product characteristics (Hong et al., 2002) to expand the application of the TAM model.

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9Head of Department, Department of MBA, Jeppiaar Engineering College, Tamil Nadu, India, thangavelraj@gmail.com
The TAM model has been examined in a variety of high-tech products, services and environments, including personal computers, email systems, the World Wide Web (WWW), and online shopping and e-Commerce (see, among others, Webster, 1992; Chin and Gopal, 1995; Szajna, 1996; Gefen and Straub, 1997; Igbaria and Zinatelli, 1997; Lederer et al., 2000; Moon and Kim, 2001; Gefen, 2003; Zhang and Prybutok, 2004).

Adoption, Innovation and Diffusion Theory

Wejnert (2002), education (Napierkowski and Parsons 1995), business and management (Burns and Wholey 1993; O’Neill, Pouder, and Buchholtz 2002; Ravichandra 2000) have contributed to the understanding of this phenomenon called diffusion of innovation.

Rogers’ (2003) DOI Model contends that innovation characteristics are primary determinants in the innovation adoption process. His five attributes include relative advantage, compatibility, complexity, observability, and trainability. Empirical and non-empirical studies have used successfully the five attributes in predicting innovation diffusion and adoption. According to Rogers (2003), 49 to 87 percent of variance of the rate of the adoption is explained by these five attributes. Rogers identifies five critical attributes that greatly influence the rate of adoption. It has tried to adapt them to key factors that are required for the success of a new technology or product in the enterprise network market:

- **Relative Advantage**: new technologies that make up communication networks need to improve some aspect of the network. Many of the performance and cost advantages of an innovation are justified as problem avoidance.
- **Compatibility**: Compatibility is the degree to which an innovation is perceived as consistent with the existing values, past experiences and needs of potential adopters. This is an area where Rogers shows how strongly individuals operating within a social structure govern the adoption process.
- **Complexity**: Complexity is the degree to which an innovation is perceived as difficult to understand and use. Of course, the level of perceived complexity is inversely proportional to the rate of adoption.
- **Trial ability**: Trial ability is the degree to which an innovation can be experimented with on a limited basis. Many performance techniques can be applied to a very narrow subset of users, locations, applications and even portions of an application or content. The effect can be monitored to support decisions for gradual expansion of the innovation.
- **Observability**: Observability is the degree to which the results of an innovation are visible to others. There are two key terms in that sentence: visible and others.

Rogers’ key contribution to the study of diffusion of innovations was the innovation/adoption cycle (Collins 1996). In this cycle, a new product or innovation of any kind only initially appeals to a few individuals. These early adopters subsequently influence a larger group called the early majority, who in turn influence the late majority, and soon only, a few laggards remain. In this article, we address one such innovation.

**RESEARCH MODEL AND HYPOTHESIS DEVELOPMENT**

**Research Model**

This research wishes to understand garment retailer’s behavioral intention to use the RFID technology. Due to the many external variables that cannot be completely taken into consideration, this research adopts TAM and DOI as its theory base. These theories have been proved and studied, applied by many experts and scholars, who all consider that “Behavioral Intention to Use” can be used as prediction indexes for future use (Mathieson, 1991; Szajna, 1996; Jackson et al., 1997; Hu et al., 1999). Therefore, judging from the documentations above, garment retailer’s behavioral intention to use the RFID technology can be effectively predicted. In addition, that is the reason why this research focuses on exploring.

The infrastructure of this research is shown as Figure 1. The external variables that this research model takes into consideration include gender, marriage, age, occupation, education, and income. In addition, this research model hypothesizes that these factors affect not only the attitude toward to use (perceived usefulness, perceived ease of use and compatibility), but also the acceptance of innovation and subjective norm can affect garment retailer’s behavioral intention to use the RFID technology.

**Research Hypothesis**

Zhou’s research on people’s behavior of using electronic communication technology has made a discovery that on the differences of cognition degree among different groups, there is a significant difference of perceived usefulness and perceived ease of use between users and non-users. In addition, there are some slight differences on personality variables i.e. the interviewees from different population statistics. This study draws hypothesis as follows:

H1: External variables will affect garment retailer’s attitude toward to use the RFID technology.
H2: External variables will affect garment retailer’s acceptance of innovation.

**METHODOLOGY USED**

Survey Administration

The objects of research questionnaires were staff, local residents, and tourist from these seven demonstration systems in Kaohsiung and Pingtung area. Questionnaires were collected immediately after finished. The purpose was to survey the possibility of acceptance and the intention to use RFID technology. Altogether 350 questionnaires were provided, excluding questionnaires that were obviously not meeting the reality, the valid questionnaire is 223, the returns-ratio accounts for 64%.

**Table-1: Retailers Demographics**

<table>
<thead>
<tr>
<th>Item</th>
<th>Characteristics</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer</td>
<td>Indian</td>
<td>63.0</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>37.0</td>
</tr>
<tr>
<td>Brand</td>
<td>Branded store</td>
<td>71.4</td>
</tr>
<tr>
<td></td>
<td>Non Branded Store</td>
<td>28.6</td>
</tr>
<tr>
<td>Age of company</td>
<td>Less than 1 year</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>Between 1 and 3 years</td>
<td>24.9</td>
</tr>
<tr>
<td></td>
<td>Between 3 and 7 years</td>
<td>44.0</td>
</tr>
<tr>
<td></td>
<td>Between 7 and 12 years</td>
<td>15.7</td>
</tr>
<tr>
<td></td>
<td>Above 12 years</td>
<td>12.5</td>
</tr>
</tbody>
</table>

**Table-2: Reliability Test**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’α</th>
<th>Number of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Usefulness</td>
<td>0.9170</td>
<td>5</td>
</tr>
<tr>
<td>Perceived Ease of Use</td>
<td>0.9020</td>
<td>4</td>
</tr>
<tr>
<td>Compatibility</td>
<td>0.7218</td>
<td>2</td>
</tr>
<tr>
<td>Acceptance of Innovation</td>
<td>0.8394</td>
<td>9</td>
</tr>
<tr>
<td>Intention to Use</td>
<td>0.9192</td>
<td>6</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Measurement Development

Measurement items used in this study were adapted from previously validated measure or were developed based on a literature review. The questionnaires were tested previously. The items were slightly modified to suit the context of RFID technology. Our scale items for perceived usefulness, perceived ease of use, compatibility, Acceptance of Innovation, Subjective Norm, and behavioral intention to RFID technology were from above literatures. Each item was measured on a five-point Likert scale, ranging from “disagree strongly” (1) to “agree strongly” (5).

The proposed model was evaluated using structural equation modeling, which is a powerful second-generation multivariate technique for analyzing causal models with an estimation of the two components of a causal model: measurement and structural models. The measurement model is estimated using confirmatory factor analysis (CFA) to test whether the constructs possess sufficient validation and reliability. The structural model is used to investigate the strength and direction of the relationship between the theoretical constructs. Such analyzed technique has been widely applied in recent years. Using CFA, the results in Table 3 indicate that the composite reliability of all scales exceeds the 0.5 thresholds for acceptable reliability. The convergent validity was established if all indicator loadings were statistically significant and greater than 0.5. For the current CFA model, all factor loadings were above the 0.5 thresholds. Since the values of reliability were above the recommended thresholds, the scales for evaluating the constructs were deemed to exhibit convergence reliability.

Table 3: Summary of Measurement Scales

<table>
<thead>
<tr>
<th>Constructs / Measures</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perceived Usefulness (PU), composite reliability = 0.729</strong></td>
<td></td>
</tr>
<tr>
<td>PU1 Using RFID technology economically causes me to be more convenient</td>
<td>0.881</td>
</tr>
<tr>
<td>PU2 Using RFID technology is useful</td>
<td>0.897</td>
</tr>
<tr>
<td>PU3 RFID technology is easy to use</td>
<td>0.888</td>
</tr>
<tr>
<td><strong>Perceived Ease of Use(PEU), composite reliability = 0.752</strong></td>
<td></td>
</tr>
<tr>
<td>PEU1 Study to use RFID technology is easy</td>
<td>0.839</td>
</tr>
<tr>
<td>PEU2 Maintaining RFID technology is easy</td>
<td>0.839</td>
</tr>
<tr>
<td>PEU3 Using RFID technology is easy</td>
<td>0.871</td>
</tr>
<tr>
<td><strong>Compatibility(COM), composite reliability = 0.750</strong></td>
<td></td>
</tr>
<tr>
<td>COM1 Using Bar Code Technology and RFID technology has been dissimilar</td>
<td>0.855</td>
</tr>
<tr>
<td>COM2 Using RFID technology and tradition system has been dissimilar</td>
<td>0.855</td>
</tr>
<tr>
<td><strong>Subjective Norm(SN), composite reliability = 0.81</strong></td>
<td></td>
</tr>
<tr>
<td>SN1 My friends can encourage and supports me to use RFID technology.</td>
<td>0.848</td>
</tr>
<tr>
<td>SN2 My colleagues can encourage and supports me to use RFID technology.</td>
<td>0.931</td>
</tr>
<tr>
<td>SN3 My competitors can encourage and supports me to use RFID technology.</td>
<td>0.819</td>
</tr>
<tr>
<td><strong>Acceptance of Innovation(AI), composite reliability = 0.537</strong></td>
<td></td>
</tr>
<tr>
<td>AI1 I like attempting each novel idea.</td>
<td>0.78</td>
</tr>
<tr>
<td>AI2 I am a person which comparatively first has the new product.</td>
<td>0.68</td>
</tr>
<tr>
<td>AI3 I usually the pattern that to the experiences handle the matter.</td>
<td>0.54</td>
</tr>
<tr>
<td>AI4 I thought myself has the original in the thinking and the behavior ability.</td>
<td>0.75</td>
</tr>
<tr>
<td>AI5 I am very easy to accept the new idea.</td>
<td>0.78</td>
</tr>
<tr>
<td>AI6 I am glad accept the new thing the challenge, even if it needs to spend The very much time and the energy.</td>
<td>0.82</td>
</tr>
<tr>
<td><strong>Intention to Use(IU), composite reliability = 0.757</strong></td>
<td></td>
</tr>
<tr>
<td>IU1 We have the Bar code technology in our retail store.</td>
<td>0.843</td>
</tr>
<tr>
<td>IU2 I know RFID technology very well.</td>
<td>0.867</td>
</tr>
<tr>
<td>IU3 I am interested to the RFID technology.</td>
<td>0.865</td>
</tr>
<tr>
<td>IU4 I would consider the use RFID technology.</td>
<td>0.865</td>
</tr>
<tr>
<td>IU5 I would want to use RFID technology for bar code technology.</td>
<td>0.912</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

ANALYSIS AND RESULTS

Descriptive Statistics

Descriptive statistics were calculated and shown in Table 4. These show that, on average, our sample responded positively to RFID technology. The averages of all constructs were greater than 3 out of 5. In addition, we use the t-test examination External
Variables for the Attitude towards Use and the Acceptance of Innovation. It shows no statistically significant difference between Income (External Variables) and Attitude Toward to use, no matter the Perceived Usefulness, Perceived Ease of Use and Compatibility. It also shows no statistically significant difference between Income Variable and Acceptance of Innovation. The Gender External Variable is no statistically significant for Compatibility. Other External Variables show statistically significant.

Table 4: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Usefulness</td>
<td>3.58</td>
</tr>
<tr>
<td>Perceived Ease of Use</td>
<td>3.50</td>
</tr>
<tr>
<td>Compatibility</td>
<td>3.19</td>
</tr>
<tr>
<td>Acceptance of Innovation</td>
<td>3.42</td>
</tr>
<tr>
<td>Intention to Use</td>
<td>3.50</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The Structural Model Assessment

The fitness measures for the measurement models are provided suitable. These fit statistics, GFI (0.90), AFGI (0.87), RMR (0.049), NFI (0.91), NNFI (0.93), and CFI (0.94) were all indicative of good fit. In addition, this study examined the structural equation model by testing the hypothesized relationships among the research variables; see Fig 2. The results show that attitude toward to use (included perceived usefulness, perceived ease of use and compatibility) had significant effects on the behavioral intention to use (β = 0.276, p < 0.001; β = 0.159, p < 0.001; β = 0.201, p < 0.001); and acceptance of innovation had significant effects on the behavioral intention to use, too (β = 0.106, p < 0.01; β = 0.180, p < 0.001). Together, these paths accounted for 51.2% of the variance in behavioral intent to use.

Figure 2: Path Coefficients for the Research Model

Results of Hypotheses Testing

As the below table 5, H1 express that external variables do not completely influence garment retailer’s attitude toward use. In addition, H2, external variables do not completely influence garment retailer’s acceptance of innovation. Since garment retailer’s income does not influence his attitude toward to use the RFID technology and his acceptance of innovation.

Table 5: Results of Hypotheses Tests

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: External variables will affect garment retailer’s attitude toward to use the RFID technology.</td>
<td>Partly supported</td>
</tr>
<tr>
<td>H2: External variables will affect garment retailer’s acceptance of innovation.</td>
<td>Partly supported</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

CONCLUSION

This research using the technology acceptance model (TAM), and the diffusion of Innovation (DOI), the result showed that in the behavior pattern of accepting the adoption of the RFID technology, the person whose perceived usefulness to RFID technology
has the most significant influence on behavioral intention to use (β=0.276). Next importance factor will be the compatibility of system (β= 0.201), and the last factor is the acceptance of innovation (β= 0.106).

The external variables of the person whose attitude toward use of RFID technology are significant. It will not have to affect the attitude toward use of RFID technology. While the person understands more about the RFID technology, who believe the system is most practical and easy to operate.

To promote RFID technology, we have to consider the market characteristic, not only to aware the retailer’s characteristics, the behavior special characteristic and the innovation acceptability. Also, try to have appropriate marketing strategy on those groups who have lower intention to use. These are research results and our suggestions:

- Perceived usefulness is the major key factor to influence people to use the RFID technology. Whether the system is better than previous used, the economic benefit to gain, the bring convenience, satisfaction and impression are all affect the people will use or not.
- The compatibility is about the experiences of retailer. It also is one of factor of influence his behavior. Therefore, the suggestion is to try to motivate by providing good support for new technology.
- Perceived ease of use is also one factor of influencing the retailer to use the RFID technology. Therefore, the suggestion may have some conferences to show the introduction of the RFID technology, which will be able to educate the people.

These results reinforce some of the past findings of technology diffusion, RFID technology implementation, and partner relationship literatures. Therefore, to ensure effective RFID technology diffusion, technology promoters and policy makers need to ensure not only that appropriate technology is considered and adopted, but also that the garment retailer’s attitude and new technological changes.

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A STUDY ON THE CAUSES OF ATTRITION OF EMPLOYEES IN BPO INDUSTRIES IN CHENNAI

Dr. G. Veeramani10 E. Subalakshmi11

ABSTRACT

Business process outsourcing (BPO) offered opportunities for employment to a large number of persons with diverse skill sets in India. The industry is plagued by high employee attrition it gives sleepless nights to Human Resources managers (HR). However, most BPO organizations are suffer with high attrition. It reflects on company’s internal strength, weaknesses, and Company’s ability. BPO Organization also faces difficulties in retaining the existing employees as well as attracting prospective new employees. This study is conducted to find out the predominate factors that causes high employee attrition in BPO sector and to find out the ways to control attrition. This study was carried out in BPO companies in Chennai district. In this study opinion of 100 employees were taken for the analysis.

KEYWORDS

Attrition, Retention, Employee Problems, Outsourcing, Work Life Balance IT And ITES etc.

INTRODUCTION

Companies in India as well as in other countries face a formidable challenge of recruiting and retaining talents while at the same time having to manage talent loss through attrition be that due to industry downturns or through voluntary individual turnover. Losing talents and employees result in performance losses which can have long term negative effect on companies especially if the departing talent leaves gaps in its execution capability and human resource functioning which not only includes lost productivity but also possibly loss of work team harmony and social goodwill. With attrition rates being a bane of every industry, companies are devising innovative business models for effective retention of talent. There are many factors responsible for attrition and employers are getting increasingly conscious of the factors that can keep an employee committed. Attrition may be defined as gradual reduction in membership or personnel as through retirement, resignation or death. In other words, attrition can be defined as the number of employees leaving the organization, which includes both voluntary and involuntary separation. The employee gradually reduces his/her ties with the company than crib about the underlying factors causing attrition. It is symptomatic of a much deeper malaise that cuts deeper into the innards of organizations. Attrition rates vary from sector and industry to industry. Apart from the unavoidable ones like resignation, retirement, death or disability, the causes are found to be many and varied. They vary according to the nature of business, the level of the employees and the nature of the responsibility shouldered by them. Another important reason is that the employee’s remuneration is not big enough to bear the brunt and cushion the concussions of his family and social life. Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. How to retain valuable employees is one of the biggest problem that plague companies in the competitive marketplace. Business process outsourcing is a management process in the globalized business context that has been well understood tried and tested by successful organizations across the world. Even in the face of stiff competition from other locations, India retains its position as the world’s leading global sourcing destination for IT BPO services As per the National Association of Software and Services Companies (NASSCOM) in FY15, the Indian IT-BPM (Information Technology-Business Process Management) industry is estimated to account for revenues of USD 146 bn, growing by 13% YoY in constant currency terms. Industry exports are expected to be over USD 98 bn growing at 12.3% YoY (reported currency), while the domestic segment, which has benefited from the inclusion of ecommerce and mobile app industry, is estimated to touch USD 48 bn. (This is against the 13-15% estimate that Nasscom had put out in February last year). IT Sector is expected to contribute to 9.5% of the GDP in FY15, against 8% of GDP in FY14.

DEFINITION OF BPO

Business process outsourcing (BPO) is the contracting of a specific business task, such as payroll, to a third-party service provider. Usually, BPO is implemented as a cost-saving measure for tasks that a company requires but does not depend upon to maintain their position in the marketplace. BPO is often divided into two categories: back office outsourcing, which includes internal business functions such as billing, or purchasing, and front office outsourcing, which includes customer-related services such as marketing or tech support.

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BPO Sector in India

BPO in India became familiar with Business Process Outsourcing only in the early and mid-1990’s, but now the entire country seems to be quivering with the BPO fever. In spite of its fresh arrival on the Indian picture, the industry has grown-up and become a very significant part of the export oriented IT services and services model. While it originally began as a facility targeted at multinational companies, today it has developed into a broad based business stage backed by leading Indian IT software and service organizations and third party service providers. The foreign direct investment (FDI) in the country owes a lot to this sector, which is progressing at a break-neck speed. The different kinds of services offered by BPO's include Customer Support, Technical Support, Telemarketing, Insurance Processing, Data Processing, and Internet/Online/Web Research and so on.

BPO Cheap Labor Cost: The cheap labor costs and the pool of skilled, English-speaking Indians have always been the two foremost factors contributing to the BPO boom in the country. As the National Association of Software Services and Companies (NASSCOM) points out, the other equally motivating factors include strong quality orientation among players, ability to offer round-the-clock services based on the country's unique geographic location, positive policy environment which encourages investments and a friendly tax structure, which places the ITES/BPO industry on almost equal footing with IT services companies.

Services Offered by Indian BPO Companies: Indian BPO companies offer varied services, such as, customer support, technical support, telemarketing, insurance processing, data processing, forms processing, bookkeeping and internet / online / web research.

- **Customer support services**: 24/7 inbound / outbound call center services that address customer queries and concerns through phone, email and live chat.
- **Technical support services**: Installation, product support, running support, troubleshooting, usage support and problem resolution for computer software, hardware, peripherals and internet infrastructure.
- **Telemarketing services**: Interacting with potential customers and creating interest for the customer's services/ products. Up selling, promoting and cross selling to existing customers and completing online sales processes.
- **IT help desk services**: Level 1 and 2 multi-channel support, system problem resolutions, technical problem resolution, office productivity tools support, answering product usage queries and performing remote diagnostics.
- **Insurance processing**: New business acquisition and promotion, claims processing, policy maintenance and policy management.
- **Data entry and data processing**: Data entry from paper, books, images, e-books, yellow pages, web sites, business cards, printed documents, software applications, receipts, bills, catalogs and mailing lists.
- **Data conversion services**: Data conversion for databases, word processors, spreadsheets and software applications. Data conversion of raw data into PDF, HTML, Word or Acrobat formats.
- **Bookkeeping and accounting services**: Maintenance of the customer's general ledger, accounts receivables, accounts payables, financial statements, bank reconciliations and assets / equipment ledgers.
- **Form processing services**: Online form processing, payroll processing, medical billing, insurance claim forms processing and medical forms processing.
- **Online research**: Internet search, product research, market research, surveys, analysis, web research and mailing list research.

Facts about the Indian BPO Industry

- The BPO sector in India is estimated to have reached a 54 per cent growth in revenue
- The demand for Indian BPO services has been growing at an annual growth rate of 50%
- The BPO industry in India has provided jobs for over 74,400 Indians. This number is continuing to grow on a yearly basis. The Indian BPO sector is soon to employ over 1.1 million Indians
- 70% of India's BPO industry's revenue is from contact centers, 20% from data entry work and the remaining 10% from information technology related work
- Indian BPOs handle 56% of the world's business process outsourcing
- The Indian BPO industry, which provides millions of jobs, is embracing employee-friendly policies such as job enrichment and innovative pay structures to arrest high attrition levels, say HR experts. Going by estimates, attrition levels in this industry is in the 30%-55% range.
- Attrition levels in the BPO industry is much higher compared to many other industries and today we see this rate tottering around 50-55.
- Job enrichment/enhancements, training programs and innovative pay structures are being offered. Employee benefits have enhanced and some of the BPOs are offering an offshore assignment, which is acting as a motivation for many.
- In the last five years, India has lost one million jobs in the customer contact business to countries like the Philippines. Over 40,000 jobs were lost to Egypt itself from 2008-2013,” it said. As per the consulting firm, India's BPO/KPO sector
employs a workforce of 1.98 million directly and 7.5 million indirectly. One of the reasons cited for BPO jobs moving away to foreign shores such as Philippines is rise in Indian salary levels.

- Over the past few years Indian BPO industry is facing stiff competition from BPO service providers in Philippines, Ireland, Brazil, Canada and Poland and one of the reason is that these countries are able to provide cost-effective alternatives.

**REVIEW OF LITERATURE**

In India, the BPO sector is one of the fastest growing sectors contributing major share to our Gross Domestic Product. Factors such as economy of scale, cost advantage and superior competency have all lead to the growth of the BPO Industry in India. The BPO Boom in India can be credited to cheap labor cost; huge talent pool of skilled and English Speaking professional is availability. The Report of NASSCOM has revealed that the geographic location and investor friendly tax structure in India have all made the one of the shining sectors and popular. This poses a great challenge for Human Resource Professionals to retain the talented and skilled workforce and maintaining a consistency in the performance. HR manager has been facing various problems in general and retaining quality staff in general. Identifying the various factors that lead to employee attrition and explaining the importance of sound organizational policies. Challenges for HR managers to retain the employees working in BPO industry IRACST – international journal of commerce, business and management (IICBM), ISSN: 2319–2828 Vol. 3, No. 2, April 2014.

Alka Raghunath Dr. Murli Dhar Panga BPO is one of the popular business practices in today’s competitive environment. India has enormous opportunities emerging from globalization and consequent lowering of tariff barriers. The Indian BPO industry is constantly growing. However, along with the Phenomena Increase in BPO to India there has been a backlash against outsourcing. Information Technology has given India formidable brand equity in the global markets. Indian BPO companies have a unique distinction of providing efficient business solutions with cost and quality as an advantage by using state of art technology. In this research paper, they explains about overview of BPO industry in India comparative strength, weakness, opportunities and threats Indian BPO industry. Problem and Prospects of Indian BPO Sector ISSN: 2277-4637 (Online) | ISSN: 2231-5470 (Print) Opinion Vol. 3, No. 1, June 2013.

The broad objective of this research is to identify the root causes of attrition and retention in BPOs, analyzing the level of employee motivation, satisfaction and involvement, generate a model for maximizing sustenance of employees in the organization and come up with concrete recommendations, which will eventually be valuable to the organizations to retain their employees for a long term. Attrition and retention of employees in BPO sector Online International Interdisciplinary Research Journal, (Bi-Monthly), ISSN2249-9598, Volume-III, Issue-VI, Nov-Dec, 2013

Vibha Gupta (2013) opines that attrition is very dangerous word now a days for any organization those are working like BPO’s, because staff attrition (or turnover) and absenteeism represents significant costs to most organizations. It is odd, therefore, that many organizations measure such costs nor have targets or plans to reduce them. However, it seems to be one of the areas in which HR can make a difference and one that can be measured in quantifiable, financial terms against targets. The study is focused on recruitment and retention challenges that the IT/BPO industry currently faces and to examine ways to reduce high turnover rates among first year Employees in the leading Domestic Call Center based in Indore. According to the Department of Human Resources (M Source BPO, Indore), turnover rates for permanent Agents/Executives were 15.6% in 2009 and 35% in 2012. Department of Human Resources, which also tracks attrition of temporary employees, measured the turnover rate for temporary employees to be 77% in 2012. The monetary cost of such high turnover is enormous. B. Latha (2013) has conducted the study to find out the reasons behind the increase in attrition rate in BPO sector and to find out the ways of retention strategies. It is found that the most of the employees working BPO sectors are expecting better salaries, job security, flexi working hours and compatible policies. Therefore, organizations should concentrate on these matters to retain the employees.

Priti Suman Mishra has observed that keeping people is arguably the most challenging aspect of running a business today. The answer lies in the fact that there is no one set of answers. People are different, so their reasons for doing anything are different. Our study reveals that while salaries, perks. Challenges, designations, foreign assignments may drive people for some time; most of the people also seek stability for themselves. Therefore, an HR manager needs to identify and create systems and processes that will retain employees. In order to be able to implement effective retention strategies the first step should be to understand the scope of the retention problem that is unique to one’s organization. The target group, which is crucial to the company’s operations and success, should be identified and the strategies are directed appropriately. It is a paradox that the companies which invest heavily in recruitment and development and make a good job at that, are level to more risk of boil. A sound sensing and tracking system to assess the volume and causes of attrition by performance level could be useful. The ability to identify good performers, who are flat to leave for any job or management, related issues and timely intervention to address these issues, could be effectively find solutions Priti Suman Mishra “Increasing rate of attrition in BPO” Management and labor studies Vol. 32 No. 1, February 2010.
Deepa (2012), the objective of this article is to find the level of job satisfaction, safety measures, retaining the employees, working conditions & work load and its reason for Employees Turnover in IT Industries. The employee turnover springs up as a vital issue in IT businesses. The researchers had taken 250 respondents as their sample size from universe and descriptive research design was adopted. This research study uses various methods to analyze the reasons and causes for employee turnover in IT businesses. The tools used are Chi-square analysis, weighted average method, T-test and F-test. Based on the analysis and interpretation, it is inferred that the IT Industry has to implement the Retention Plan by compensation Policies, Changes in work Requirements & improvement in working conditions.

**OBJECTIVE OF STUDY**

- To study attrition problem in BPO Industries.
- To identify the predominant factors that causes high attrition.
- To propose remedial the measures to control the attrition.

**NEED FOR STUDY**

The attrition rate has risen drastically to 55% during the last few months with a significant movement in middle and senior management levels, according to a recent report by the Associated Chambers of Commerce and Industry of India (ASSOCHAM). According to the study, the BPO-ITES sector has emerged as having the highest attrition rate of 65% during the last two years, giving a serious jolt to India’s prospects as the most sought-after BPO destination in the world. This study analyses and forecast the attrition rate at BPO in detail. The study helps to identify the attrition in BPO Industries at Chennai and find out the reasons for high attrition. The study suggests the strategies to be followed in the organization to retain the talented workforce for a long period.

**IMPORTANCE OF STUDY**

As it is highlighted as one of the major sectors, it is facing a lot of problems relating to stress, health problems, work place issues, etc. Hence research is under taken in one of the leading Information Technology enabled Services (ITES) – BPO’s Company in Chennai to find out the major reasons for attrition and strategies to retain employees. The significance of the study lies in the detonation of the BPO industry in the recent years. Where on one hand the sector is growing with leaps and bounds, on the other the employee turnover has been alarmingly high, thus costing a lot to the company. The middle level and low-level employees are victims of dearth of motivation and employee satisfaction seems to be brandishing. The study is an attempt to assess the patterns of attrition in BPO and analyze the relationship among employee motivations, job satisfaction and employee retention, to utilize employee motivation to retain employees in an organization. Thus, not only is it significant for academicians but also for professionals who can exploit it to control the employee turnover.

**RESEARCH METHODOLOGY**

**Sample Design:** 100 employees of different BPO organizations in Chennai were selected for the purpose of the study.

**Sources of Data:** The present study made use of both primary and secondary sources of data. The sources of secondary data include reports from NASSCOM, and the reports from BPOs under study. The primary data were collected directly from the respondents by administering a pre-designed questionnaire/ schedule.

**Table-1: Causes for Attrition in BPO Industries in Chennai taken form 100 Respondents**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Causes of Attrition</th>
<th>Number of respondents</th>
<th>Strongly Agree</th>
<th>Moderately Agree</th>
<th>Strongly Disagree</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Work life balance</td>
<td>100</td>
<td>35</td>
<td>36</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Job stress</td>
<td>100</td>
<td>59</td>
<td>24</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Achievements not recognized</td>
<td>100</td>
<td>42</td>
<td>23</td>
<td>35</td>
<td>100</td>
</tr>
<tr>
<td>4</td>
<td>Improper work timings</td>
<td>100</td>
<td>44</td>
<td>36</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>5</td>
<td>Lack of career opportunities</td>
<td>100</td>
<td>53</td>
<td>26</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>6</td>
<td>Health problems</td>
<td>100</td>
<td>49</td>
<td>26</td>
<td>25</td>
<td>100</td>
</tr>
<tr>
<td>7</td>
<td>Monotonous work</td>
<td>100</td>
<td>35</td>
<td>42</td>
<td>23</td>
<td>100</td>
</tr>
<tr>
<td>8</td>
<td>Job dissatisfaction</td>
<td>100</td>
<td>57</td>
<td>24</td>
<td>19</td>
<td>100</td>
</tr>
<tr>
<td>9</td>
<td>No role clarity</td>
<td>100</td>
<td>21</td>
<td>34</td>
<td>45</td>
<td>100</td>
</tr>
<tr>
<td>10</td>
<td>Not satisfied salary</td>
<td>100</td>
<td>47</td>
<td>32</td>
<td>21</td>
<td>100</td>
</tr>
<tr>
<td>11</td>
<td>Attrition of group members</td>
<td>100</td>
<td>19</td>
<td>42</td>
<td>39</td>
<td>100</td>
</tr>
</tbody>
</table>
From the above table it is clearly observed that 63% of the employees leaving out from BPO sector are for better career opportunities they were stating that the job is routine no much change in the work. 59% of the employees are stating that job stress is the reason for high attrition. Exclusively women employees they are having sever health issues such as back pain, Eyesight problem and genetic problems. 57% of the employees are expressing their dissatisfaction towards lack of security in the job. 47% of the employees are expressing their dissatisfaction on salary and improper hikes in the job. It is clearly identified from the above table there are certain predominant factors that are causing high attrition rates in the BPO sector.

**SUGGESTIONS**

- Even though the employees are satisfied with their nature of job, it is identified in the study that many employees prefer to change their job due to lack of growth opportunities in their job. So if companies can look for some innovative technologies to decrease their attrition level by providing career growth opportunities.
- Conducting regular health checkup campus at office to avoid health issues.
- Recognize employee who are good performers and reward them.
- Provide higher education to retain employee.
- Provide best career opportunities in order to retain employees

**CONCLUSION**

The main aim of any organization is to earn profit. However, to attain the maximum profit, the organization should concentrate more on employees and the ways to retain them for their long run. From the study it is identified that lack of growth opportunities, salary, job stress, job dissatisfaction are the predominant factors which force employees to change their jobs. This study concludes that to reduce attrition industries should create some opportunities for the growth of their employees within the organization by adopting new and innovative training programs. The company should also think of recruiting people who are near the industry so that the family related problems will not lead to attrition.

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INTRODUCTION AND NEED OF THE STUDY

Corporate social responsibility is a management concept whereby companies integrate social and environment concerns in their business operations and interaction with their stakeholders. It has gained much attention in the corporate world. CSR make a large contribution to the country’s GDP growth; meet the demand of the growing middle class. CSR is increasingly becoming a variable that public sector banks can use to change the competitive scenario, keeping or expanding the competitive edge.

The CSR is seen as a way of encouraging changes in the consumer’s preferences, introducing new differentiation variables, while improving the work environment, the trust and the support to the banks. A number of Indian Banks have taken initiatives to implement the concept of corporate social responsibilities.

The present research focuses on the initiatives taken by the Public Sector Banks on CSR and the resulting impact on its overall performance. Against this background it is worthwhile to analyses the concept of corporate social responsibility under the title “The Role of Public Sector Banks in Corporate Social Responsibility” is chosen.

OBJECTIVES OF STUDY

The main Objectives of the study are:

- To find out the CSR activities carried out by the public sector banks.
- To trace out the difficulties faced while carrying out the CSR activities.
- To find out the level of perception towards the variables to assess CSR in the public sector banks.
- To offer suitable suggestions to improve CSR in public sector Banks.

METHODOLOGY USED

The researcher has collected data both from primary and secondary sources. The primary data were collected from bank employees directly through a questionnaire. The secondary data were collected from books, journals and websites.

In Thoothukudi District, 89 public sector Bank Branches are available:

- State Bank of India - 19 Branches
- Indian Overseas Bank - 33 Branches
- Canara Bank - 26 Branches
- ICICI Bank - 3 Branches
- Indian Bank - 8 Branches

Among these, Indian Overseas Bank, Canara Bank and State Bank of India have more branches. Hence, these three banks are selected for collecting data. Therefore, total number of Bank Branches (33+26+19) is 78. Two employees from different branches are selected by adopting convenient sampling method. Therefore, the number of employees selected are 156. Among these 30 questionnaire are found incomplete. Hence, it is rounded off to 120. Hence, 120 is the sample size. 120 employees of public sector banks are selected as sample by convenience sampling method. The data were analyzed by applying Percentage, Average, Garrett ranking technique, Spearman rank correlation and ‘F’ test.

ANALYSIS OF DATA

The collected data are analyzed in Table 1.

CSR Activities carried out in Public Sector Banks

The CSR activities carried out in Public sector banks are ranked by using Garrett Ranking Technique. The results are presented in Table-1.

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Table-1: CSR Activities carried out in Public Sector Banks

<table>
<thead>
<tr>
<th>S. No.</th>
<th>CSR activities</th>
<th>Ranks given by the Respondents</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
</tr>
<tr>
<td>1.</td>
<td>Blood Donation Camp</td>
<td>12</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>2.</td>
<td>Health Checkup Camp</td>
<td>52</td>
<td>16</td>
<td>36</td>
</tr>
<tr>
<td>3.</td>
<td>Educational Support</td>
<td>16</td>
<td>48</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Vocational Training</td>
<td>-</td>
<td>24</td>
<td>36</td>
</tr>
<tr>
<td>5.</td>
<td>Environmental Protection</td>
<td>-</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Promotion of Sports</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>7.</td>
<td>Rural Development</td>
<td>40</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>8.</td>
<td>Poverty Eradication</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From Table-1, it could be inferred that the CSR activities carried out in public sector banks was ‘Rural Development’ since it has maximum score (80). Hence I rank was given to the same which is followed by ‘Educational Support’ (69), ‘Health Checkup camp’ (66), ‘Blood Donation camp’ (55) and the like.

Difficulties Faced by the Public sector Banks to Proceed CSR in future

Spearman Rank Correlation was used to rank the main difficulties faced by the public sector banks to proceed CSR activities in future. It is presented in Table-2.

Table-2

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Difficulties Faced</th>
<th>Gender</th>
<th>Educational Qualification</th>
<th>Marital Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Graduate</td>
</tr>
<tr>
<td>1.</td>
<td>Time</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>Cost</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>Human resources</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Not an issue for a bank</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>5.</td>
<td>Unrelated to bank activities</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Spearman’s Rank Correlation $R = \frac{1 - 6 \sum D^2}{N(N^2 - 1)}$

$R= 0.05 \quad 0.05 \quad 0.08$

It was concluded that there is a correlation between the ranks given by the respondents who belong to gender of male and female, educational qualification of graduate and post graduate and marital status of married and unmarried on the difficulties faced by the public sector banks to proceed CSR activities in future since the Spearman’s Rank Correlation co-efficient (0.05, 0.05 and 0.08) lies between -1 to +1. Hence, the two group respondents’ opinion is the same.

Relationship between Demographic Profile of the Sample respondents and their Level of Perception towards the variables to assess CSR

In order to find out the relationship between demographic factors of the sample respondents and level of perception towards the variables to assess CSR in public sector banks, ‘F’ test is applied.

The consolidated results are presented in Table-3
### Table-3: Consolidated Results of ‘F’ Test

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Demographic Factors</th>
<th>Rural Development</th>
<th>Priority Sector Lending</th>
<th>Environment Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Degrees of Freedom</td>
<td>Degree of Freedom</td>
<td>Table Value</td>
<td>Difference in Perception</td>
</tr>
<tr>
<td>1.</td>
<td>Gender</td>
<td>V₁, V₂</td>
<td>1.09, 2.33</td>
<td>19.00, 18.51</td>
</tr>
<tr>
<td>2.</td>
<td>Age</td>
<td>V₁, V₂</td>
<td>1.4, 3.64</td>
<td>5.14, 4.76</td>
</tr>
<tr>
<td>3.</td>
<td>Educational Qualification</td>
<td>V₁, V₂</td>
<td>3.33, 11.5</td>
<td>19.00, 18.51</td>
</tr>
<tr>
<td>4.</td>
<td>Occupation</td>
<td>V₁, V₂</td>
<td>1.48, 3.84</td>
<td>4.46, 3.84</td>
</tr>
<tr>
<td>5.</td>
<td>Marital Status</td>
<td>V₁, V₂</td>
<td>5.62, 1.08</td>
<td>19.00, 18.51</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

### Table-4: Consolidated Results of ‘F’ Test

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Demographic Factors</th>
<th>Education</th>
<th>Community Welfare</th>
<th>Financial Literacy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Degrees of Freedom</td>
<td>Degree of Freedom</td>
<td>Table Value</td>
<td>Difference in Perception</td>
</tr>
<tr>
<td>1.</td>
<td>Gender</td>
<td>V₁, V₂</td>
<td>1.00, 3.4</td>
<td>19.00, 18.51</td>
</tr>
<tr>
<td>2.</td>
<td>Age</td>
<td>V₁, V₂</td>
<td>1.46, 4.76</td>
<td>NS</td>
</tr>
<tr>
<td>3.</td>
<td>Educational Qualification</td>
<td>V₁, V₂</td>
<td>3.22, 8.3</td>
<td>19.00, 18.51</td>
</tr>
<tr>
<td>4.</td>
<td>Occupation</td>
<td>V₁, V₂</td>
<td>3.64, 2.03</td>
<td>NS</td>
</tr>
<tr>
<td>5.</td>
<td>Marital Status</td>
<td>V₁, V₂</td>
<td>2.02, 1.74</td>
<td>NS</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

### Table-5: Consolidated Results of ‘F’ Test

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Demographic Factors</th>
<th>New Initiatives related to CSR</th>
<th>Women Wealth</th>
<th>Farmers’ Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Degrees of Freedom</td>
<td>Degree of Freedom</td>
<td>Table Value</td>
<td>Difference in Perception</td>
</tr>
<tr>
<td>1.</td>
<td>Gender</td>
<td>V₁, V₂</td>
<td>3.49, 2.04</td>
<td>19.00, 18.51</td>
</tr>
<tr>
<td>2.</td>
<td>Age</td>
<td>V₁, V₂</td>
<td>1.34, 2.36</td>
<td>3.14, 4.76</td>
</tr>
<tr>
<td>3.</td>
<td>Educational Qualification</td>
<td>V₁, V₂</td>
<td>6.17, 2.1</td>
<td>19.00, 18.51</td>
</tr>
<tr>
<td>4.</td>
<td>Occupation</td>
<td>V₁, V₂</td>
<td>1.98, 1.38</td>
<td>4.46, 3.84</td>
</tr>
<tr>
<td>5.</td>
<td>Marital Status</td>
<td>V₁, V₂</td>
<td>5.62, 1.08</td>
<td>NS</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation
‘F’ Test proved that, there is no significant relationship between the demographic profile of the sample respondents such as gender, age, educational qualification, occupation and marital status and their level of perception towards the variables, ‘Rural Development’, ‘Priority Sector Lending’, ‘Environment Protection’, ‘Education’, ‘Community Welfare’, ‘Financial Literacy’ ‘New Initiative Related to CSR’, ‘Women Welfare’ and ‘Farmers’ Welfare except on the demographic variable ‘occupation’ with respect to the variable ‘Community Welfare’ to assess CSR.

SUGGESTIONS

- There is a need to frame a CSR policy in every bank and prioritization of activities for social spending and allocation of separate funds to conduct CSR activities.
- Public Sector Banks should link with NGOS, Companies and Private Hospitals to conduct various social welfare programs to reach the people properly.
- The Public Sector Banks should have a dedicated CSR division with well-trained, qualified and experienced professionals from social science for better planning, implementation and evaluation of CSR initiatives.
- The policy makers of a banking industry should monitor continuously to find out whether the allotted funds are utilized effectively and reached the society properly since the growth and development of a bank depends on the continuous patronage of the customers.
- The banking industry must focus their attention on ‘Farmers’ welfare’ and Women welfare with regard to the implementation of CSR activity since they are the builders of the society and weaker sections of the society.

CONCLUSION

The public sector banks are making efforts in the CSR areas but still there is a requirement of more emphasis on CSR. In the era of globalization, to retain their business, banking institutions must do some social activities to the society. People are judging the banking institutions not only by seeing the financial performance but also by examining the CSR activities. So the amount allotted for conducting CSR activities must be utilized effectively. The policy makers of public sector banks must also create awareness in the minds of the public in order to gain goodwill and confidence about the CSR activities carryout by their institutions. If the policy makers and the banking authorities carry out the above suggestions, the banking institutions can withstand in the competitive world.

REFERENCES

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A STUDY ON THE CAUSES OF ATTRITION OF EMPLOYEES IN BPO INDUSTRIES IN CHENNAI

G. Madhuri

ABSTRACT

Customer satisfaction is widely recognized as a pressure in the formation of consumers future order intentions. Satisfied customers are likely to tell others of their favourable experiences and thus engage in positive word of mouth advertising. The present study aims to investigate customer satisfaction in the organized Celebration Catering Service in Sholinganallur. The objectives are to identify the determination of customer satisfaction in the organized Celebration Caterers. To identify the overall satisfaction those who are order in Celebration, and to study about the future prospects of organized Celebration’s Customer satisfaction is a significant subject for most marketers. A total 24 questionnaires and 70 surveys have been randomly distributed to the customer’s using descriptive statistics method, percentage method, weighted average method and correlation method the data collected is analyzed. The respondents are suggesting providing the online billing payment. His suggestion provided will be very useful for the organisation. Hence, the company will be benefited so that they will increase the standard level to obtain the profit. The catering service growing very fast and other caters coming into the market, they give some facility to the customer.

INTRODUCTION

Meaning

Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation customer satisfaction is defined as “The number customer, or percentage of total customer, reported experience with a firm, its products or its service (RATING) exceeds.

Definition

According to Oliver, Richard L. (1997), Satisfaction: A Behavioural Perspective on the Consumer, New York: McGraw Hill. Customer satisfaction is as a judgment following a consumption experience - it is the consumer’s judgment that a product provided (or is providing) a pleasurable level of consumption-related fulfillment (adapted from Oliver 1997). Most research confirms that the confirmation or disconfirmation of pre-consumption expectations is the essential determinant of satisfaction. This means that customers have a certain predicted product performance in mind prior to consumption. During consumption, customers experience the product performance and compare it to their expected product performance level. Satisfaction judgments are then formed based on this comparison. The resulting judgment is labelled positive disconfirmation if the performance is better than expected, negative disconfirmation if it is worse than expected and simple confirmation if it is as expected. In short, customers evaluate product performance by comparing what they expected with what they believe they received.

Example

Let us take for instance, an airline passenger David who has bought an economy class ticket from London to Singapore. He paid a premium of £450 for a direct flight rather than one that had a four-hour stopover in Dubai. He had firm expectations that his travel time would be short. Now, imagine that there was a six-hour flight delay and he had to wait these many hours at the airport. He had high expectations as he paid a premium price for high-quality product/airline and now was deeply disappointed when the product failed to deliver. He was very dissatisfied.

Assume the same scenario, but this time, not only was the flight on time, but David was also upgraded to business class. His expectations were exceeded, and he was highly satisfied.

Customer Satisfaction Process - Five Steps

- Step 1 - Understanding Customer Expectations.
- Step 2 - Promises to Customers.
- Step 3 - Execution.

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Components of Customer Satisfaction

- A perfect product or service
- Delivered in a caring, friendly manner
- On time (as defined by the customer)
- With the backing of an effective problem-resolution process

Importance of Customer Satisfaction

- It is a leading indicator of consumer repurchase intentions and loyalty
- It is a point of differentiation
- It reduces customer churn
- It increases customer lifetime value
- It reduces negative word of mouth
- It is cheaper to retain customers than acquire new ones

Advantages of Customer Satisfaction Surveys

- **Up-to-date feedback:** Gather current customer feedback on various aspects of your company. You can stay on top of customer trends through regularly scheduled online surveys or email surveys, and receive instant customer feedback. It is always useful to acquire insight into how your customers are currently reacting to all aspects of your business.

- **Benchmark results:** You can administer the same survey every so often to customers to gain continued insight into your customers. Surveys can have the same questions, which will allow you to compare data over time and benchmark survey data across previous years to determine if any changes need to be made.

- **Show that you care:** Customers like to be asked for their feedback. It gives the customer the perception that your company values them; is committed to keeping them as a long-term customer; and bases business decisions on their feedback.

Disadvantages of Customer Satisfaction Surveys

- **Too many surveys, so little time:** Your customers are bombarded with online surveys. Surveys may be simple to complete, however, some people simply do not like to complete them. Sending surveys too often can irritate customers and lead to customer burnout. Customer burnout can result in low response rates or result in lower satisfaction scores, despite your reputation for providing excellent products or services.

- **Privacy Issues:** We live in a high-tech environment filled with daily doses of unwanted junk email, email solicitations, and sales calls. When taking an online survey or a phone survey (or any type of survey), it is hard for your customers to believe that they are not being tracked. Because of insecurities of releasing private information, customers today are hesitant in giving out information that may lead to more junk email and unwanted calls. Make certain to assure customers that the information they provide in response to your customer satisfaction surveys will not be used. Without this disclaimer, it may be difficult to receive a good response rate.

Factors Influences of Customer Satisfaction

- **Cleanliness:** The cleanliness attribute relates to how clean your kitchen.

- **Attractiveness:** Attractiveness refers to a quality that causes an interest or desire in something.

- **Price:** A value that will purchase a finite quantity, weight, other measure of or service.

- **Quality:** The totality of features and characteristics of a food or service that bears its ability to satisfy or implied needs.

- **Service Delivery:** A transport service organized by an us to supply food to the designator.
Brand Images: Brand images are the overall impression in customer mind that is formed from all sources.

Uses of Customer Satisfaction

- It is leading indicator of customer repurchase intentions and loyalty.
- It is a point of differentiation.
- It reduces customer churn.
- It increases customer lifetime value.
- It reduces negative word of mouth.
- It is cheaper to retain customers than acquire new ones.

COMPANY PROFILE

Celebration foods, a unit of Contigo Catering Services Private Limited

(We Celebrate your Satisfaction)

Celebration foods, a unit of Contigo Catering Services Private Limited. Is Chennai’s creative, authentic and delicious food design company providing unique, fresh and tailored corporate catering services? We provide bespoke solutions to our varied client list and offer wide range of options, from traditional silver service banquets to exquisite fork buffets to high profile conferences. We offer a full-blown production service for corporate counters, executive parties, our patrons for our rich industry experience in this domain, client centric approach and our transparent dealing trust events and weddings. We. We take maximum care in meeting the varied needs of our clients. Our catering services are rendered to our clients as per their requirements and budget. We always have a reasonable budget with scrumptious, luscious food with superb, stylish and elegant set up for our clients.

Origin of the Company

The Celebration Catering service was established on 2011 by sole proprietor Mr. Hayath Basha. He has started this catering in very small level with few items of foods like Biryani’s and some non-veg items. This Celebration catering was first started in Maersk global service ltd food court.

After rapidly established, the celebration catering knows it for many food courts in many companies and now becomes a Chennai’s one of the big caters. The company is having enough number of service and administrative staffs with them. The CEO of the company is Mr Gopinath, General and production manager is Mr. Siva Kumar, Finance Manager is Mr Mohamed Ali, and Marketing and Human resource manager is Mr Sainath.

OBJECTIVES OF STUDY

Primary Objective

- To study the customer satisfaction in Celebration Catering Service at Sholinganallur.

Secondary Objectives

- To bring out customers perception towards Celebration Catering Service.
- To improve the service of the company.
- To analyses the various factors, that influences satisfaction among the customers in the organization.
- To find out the overall satisfaction level of the customers.
- To suggests new methods for the service improvement in the business.

SCOPE OF STUDY

- It also helps the management to understand their current customer needs and requirement. Which will lead to improve their service.
Customer satisfaction can be interpreted as a response of the interaction between the organization and their customer. This survey can tell how a customer feels about food products and service.

LIMITATIONS OF STUDY

- The response given by the respondents may not be true.
- The study limits to the geographical.
- The sample size is limited to 70.
- Time constrain is the major problem.

REVIEW OF LITERATURE

N. Lepkova, G. Zukaite-Jefimovie, (2004), the article introduces the concept and content of facilities management (FM) services. The paper presents the concept of customer satisfaction and discusses the key factors, which influence the opinions of customers and their satisfaction or dissatisfaction with the services provided. The article presents two studies: a brief survey of several FM service providers and a survey of customer satisfaction with FM services in Lithuania. The conclusions are given at the end of the article.

Petr Suchanek, Jiri Richter, Maria Kralova, (2015) this paper presents an analysis of quality, customer satisfaction and business performance in food industry. The main objective of the research is to determine the influence of quality on customer satisfaction and on business performance and competitiveness. In particular, this paper answers the following research question: Does the quality of a product result in a satisfied customer and thereby in a well-performing business? Customer satisfaction is defined as the satisfaction of the customer with a product and the business performance as a capability to generate profit. Therefore, satisfaction was examined by the means of a survey using questionnaires, and the performance was measured by financial data. We managed to find a correlation between the main factors, although partial results were due more factors mostly statistically insignificant.

Dr. R. S., Maul Dr. P. A., Smart P. Baker, (2007) University of Exeter Discussion Papers in Management Paper number 07/10ISSN 1472-2939 this paper reports the results of a longitudinal study into the drivers of customer satisfaction in a large UK Bank. The findings confirm the significance of staff satisfaction and service quality, suggested by the service profit chain literature, but dispute that this comprises a simple linear relationship. The findings also question the pre-eminence afforded to the soft elements of the service encounter suggested by much of the Services Marketing literature. A five-year study of the relationship between customer satisfaction and the technical and functional aspects of service quality suggests that technical service quality plays a critical role in determining customer satisfaction. Further analysis identifies Business Processes Management as significant driver of technical service quality.

RESEARCH METHODOLOGY

The process used to collect information and data for marketing business decision. The methodology may include publication research, interviews, surveys and other research techniques, and include both present and historical information.

Research Design: A research design is the blue print of the study. The design of a study defines the study type [descriptive, correlation, semi- experimental, review, meta – analytic] and sub-type [E.g.] [descriptive-longitudinal case of study] research question, hypotheses and dependent variable, experimental design, ad, if applicable, data collection methods and a statistical analysis plan. Research design is framework that has been created to seek answers to research questions.

Descriptive Research: Descriptive research is a study designed to depict the participants in an accurate way more simply put descriptive is all about descriptive people who take part in the study.

Sampling Techniques

Non-Probability Sampling: Non-probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected. Non-probability sample is not a product of a randomized selection processes. Subjects in a non-probability sample are usually selected based on their accessibility or by the purposive personal judgment of the researcher.

Convenience Sampling: In convenience sampling selection, the researcher chooses the sampling units based on convenience or accessibility. It is called accidental samples because the sample - units enter by accident.
Sources of Data

Primary Data: The primary data are directly collected from the original sources. The primary data is collected from the customers of CSS by using Questionnaire.

Secondary Data: The secondary data, on the other hand are those which have already been collected by someone else and which have already been passed through the statistical process. The secondary data is collected from Books, Articles, company web site and Journals.

Sample Size: Sample size refers to the number of items to the selected from the population to constitute the sample. Sample size 70. The total population of Customers is infinite.

Statistical Tools Used

Percentage Analysis: Percentage is the result obtained by multiplying a quality by in percentage mathematical; a percentage is a number or ratio expressed as a fraction of 100.

Percentage= No. of respondents / Total number of respondents # 100.

Correlation Analysis: In statistic, dependence is any statistical between two random variables or two sets of data correlation refer to any of a broad class of Statistical relationship involving dependence. Formula:

\[ r = \frac{n\sum xy - \sum x\sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}} \]

\( R \) = correlation
\( \sum \) = Total value
\( N \) = Number of value
\( X \) = Value of x axis
\( Y \) = Value of Y axis

Weighted Average Method: Weighted average is an average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average. Weightings are the equivalent of having that many like items with the same value involved in the average. Formula:

\[ \text{(Weighted average } x) = \frac{\sum fw}{\sum f} \]

\( \sum \) = Total value
\( F \) = Frequency
\( W \) = Weights

DATA ANALYSIS & INTERPRETATION

Most Liked Factors of CSS

Graph-1

Sources: Authors Compilation

Inference: It is detected that 31% of respondents like the price factor and 7% of respondents like all the factors like price, quality, delivery, taste and quantity.
Using Correlation Method

Correlation Analysis between Billing Process and Quality.

H₀: there is no significance relationship between billing process and quality.
H₁: there is significance relationship between billing process and quality

Table 1

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>22</td>
<td>25</td>
</tr>
<tr>
<td>Satisfied</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Neutral</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>70</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 2

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Billing Process</th>
<th>Quality</th>
<th>X²</th>
<th>Y²</th>
<th>Exy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>22</td>
<td>25</td>
<td>484</td>
<td>625</td>
<td>550</td>
</tr>
<tr>
<td>Satisfied</td>
<td>12</td>
<td>20</td>
<td>144</td>
<td>400</td>
<td>240</td>
</tr>
<tr>
<td>Neutral</td>
<td>18</td>
<td>10</td>
<td>324</td>
<td>100</td>
<td>180</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>10</td>
<td>9</td>
<td>100</td>
<td>81</td>
<td>90</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>8</td>
<td>6</td>
<td>64</td>
<td>36</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>70</td>
<td>1116</td>
<td>1242</td>
<td>1108</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

If x and y are results

\[
r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}}
\]

\[
r = \frac{5540 - 70 \times 70}{\sqrt{5(1108)^2 - (70)^2} \sqrt{5(1242)^2 - (70)^2}}
\]

\[
r = \frac{5540 - 4900}{\sqrt{680} \sqrt{1310}}
\]

\[
r = 0.6655 \text{ high positive correlation}
\]

The table value is greater than the calculated value. Hence alternative hypotheses are rejected and null hypothesis is accepted.

Inference: There is no significance relationship between the quality of the billing process and quality.

Weighted Average Method

Table 3: Weighted Average of Customer Satisfaction and Billing Process

<table>
<thead>
<tr>
<th>Factors</th>
<th>Frequency (f)</th>
<th>Weights (w)</th>
<th>Σfw</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>32</td>
<td>5</td>
<td>160</td>
</tr>
<tr>
<td>Satisfied</td>
<td>17</td>
<td>4</td>
<td>68</td>
</tr>
<tr>
<td>Neutral</td>
<td>26</td>
<td>3</td>
<td>78</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>14</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>11</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>15</td>
<td>345</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Weighted Average = \frac{\sum f w}{\sum f} = 3.45
\text{(approximately 3)}

\textbf{Inference:} It is determined that the customer satisfaction level of billing process is neutral.

\textbf{Table-4: Weighted Average of Customer Satisfaction and Quality of Food}

<table>
<thead>
<tr>
<th>Factors</th>
<th>Frequency (f)</th>
<th>Weights (w)</th>
<th>(\sum fw)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>36</td>
<td>5</td>
<td>180</td>
</tr>
<tr>
<td>Satisfied</td>
<td>29</td>
<td>4</td>
<td>116</td>
</tr>
<tr>
<td>Neutral</td>
<td>14</td>
<td>3</td>
<td>42</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>13</td>
<td>2</td>
<td>26</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>8</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>\textbf{Total}</td>
<td>100</td>
<td>15</td>
<td>372</td>
</tr>
</tbody>
</table>

\textbf{Sources:} Authors Compilation

Weighted Average = \frac{\sum f w}{\sum f} = 3.72
\text{(approximately 4)}

\textbf{Inference:} It is well founded that the customer satisfaction level of quality of food is satisfied.

\textbf{FINDINGS OF STUDY}

\textbf{Percentage Analysis}

- 57% of respondents are male,
- 63% of respondents are under 18-25 years,
- 43% of respondents are married,
- 31% of respondents salary is Rs. 12500-25000,
- 63% of respondents says the staffs interact with in a friendly manner,
- 32% of respondents says billing process is highly satisfied,
- 36% of respondents says quality of food is highly satisfied,
- 32% of respondents says very good on the temperature of the food,
- 64% of respondents say Yes to the satisfaction of the varieties,
- 67% of respondents says Yes to food out worth value for the money paid,
- 69% of respondents used in weekly or more to the CCS cater,
- 54% of respondents says staff interaction is excellent,
- 55% of respondents compare the competition is superior,
- 30% of respondents says highly satisfied to CCS provide discount for customer,
- 57% of respondents says Yes to offer schemes for CCS,
- 43% of respondents like mostly non-veg foods on CCS,
- 29% of respondents like south Indian items,
- 31% of respondents strongly agree with the time on delivery,
- 27% of respondents says price can consider the increasing the profit,
- 31% of respondents like the price factor,
- 61% of respondents says customer satisfaction to be Yes,
- 36% of Respondents says overall satisfaction to be very good.

\textbf{Correlation Analysis}

- No significance relationship between the quality of the billing process and quality.
- No significance relationship between temperature of food and overall performance.

\textbf{Weighted Average Method}

- It is determined that the customer satisfaction level of billing process is neutral.
- It is well-founded that the customer satisfaction level of quality of food is satisfied
- It is determined that the customer satisfaction level of Temperature of food is Good.
• It is found that the customer satisfaction level of provide discount is neutral
• It is conclude that the customer satisfaction level of provide time on delivery is neutral
• It is persevering that the customer satisfaction level of Overall Performance is good.

**SUGGESTIONS OF STUDY**

• The quality of the food, service be improved and food and our catering service can be made to Fulfil the customer exportation.
• They can attract the customer by offers and discount food and service of the customer suggestion.
• The desired food should be made available so that the customer may not switch on the others food and service.
• Most of the suggestion is indicate the card payment for convenience of the customer
• The respondents are suggestion to good customer service towards the celebration catering service

**CONCLUSION**

The overall customer satisfaction of the Celebration Catering Service is very good. Price, offers, schemes, menu verities friendly manner and staff interaction those factors are good as on customers view. To make happiest customer in Celebration Catering Service the card payment systems to be introduced to pay the bills.

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(sd/-)
(Editor-In-Chief)
ABSTRACT

Foreign Direct Investment (FDI) is significant for the economic development of a country as they are a source of long term capital, providing scope for adopting advanced technologies and also an opportunity to adopt best practices followed in other countries. One perceived threat to FDI is the terrorist attacks in the country as it deters the fresh inflow of capital inflows and reduces the FDI levels by reducing the confidence of the investors. This paper attempts to bring out the impact of terrorism on FDI in India over a period of 10 years from 2006-2015. The data for the study on FDI and the Terrorists attacks are taken from the secondary sources and multiple regression is used to test the relationship between the variables of the study. The results reveal that there is less impact of terrorism on FDI in India.

KEYWORDS

FDI, Terrorism, Investors Confidence, Economic Development etc.

INTRODUCTION

Terrorism is a type of guerrilla warfare using arms and ammunition by a group of people to threaten the Government to yield to their demands. Such violent activities are the biggest problem faced by the countries worldwide today. This menace of the terrorists group causes death, damage to property, and induces fear among the people of the affected country and among the foreign investors. Foreign direct investment (FDI) is the investment made by retail investors or Corporates from another country for productive purposes. FDI plays a significant role in the economic development of a country, as they are a source of long-term capital, provides scope for adopting advanced technologies and an opportunity to adopt best practices followed in other countries. Increase in Industrial activity, employment opportunities and promoting International trade are considered the major benefits of FDI. Telecommunication, Power, Pharmaceuticals, Insurance sector, Hotel and Tourism industry and Real estate are some of the sectors that attract FDI in India.

The direct and indirect impact of terrorism is measured by terrorism Index. This index takes into account the number of deaths, damages to the property and injuries caused during these attacks. The composite scores ranging from no impact to highest impact are given values ranging from 0 to 10 respectively. The above table gives the India’s terrorism index for a period of 10 years from 2006-2015. It can also be inferred that the scores ranges between 7.54 to 8.09 which is indicates that the impact is high posing threat to the economy.

There are many factors that are considered by a foreign investor while investing in another country and these include the availability of infrastructure, exchange rates, GDP of the country, the tax regime, availability and the quality of labour, political, Financial and economic stability of a country. Frequent terrorists attack disturbs all the factors mentioned above which is a deterrent for the flow of FDI in India is. India is prone to such attacks by the terrorists from Menambakkam bomb blast in 1984 to

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the Pampore attack in June 2016, in the state of Jammu & Kashmir and the recent attack in the city of Kokrajhar on August 5, 2016 has to some extent hindered the growing Indian Economy. Many research studies have documented that Terrorism has a negative impact on FDI in the affected countries. This is because of lack of confidence of the foreign investor because of the frequent terrorist attacks. In this context, an attempt has been made to find the impact of terrorism on the FDI to and from India.

Table-1 presents the flow of FDI in India and to other countries from India. It can be seen from the table that FDI in India increased from 2006 to 2008 and slump again during 2012. FDI has increased from 2013 to 2015. FDI by India has increased from 2006 to 2008 and has been on the decline since 2014 and in 2015, the percentage of increase is by about 120. An attempt is also made to identify the trend in the data collected and to relate it with the number of attacks by the terrorists in India.

Table-1: Foreign Direct Investment

<table>
<thead>
<tr>
<th>Year</th>
<th>FDI to India (Million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>36021</td>
</tr>
<tr>
<td>2014</td>
<td>31252</td>
</tr>
<tr>
<td>2013</td>
<td>21564</td>
</tr>
<tr>
<td>2012</td>
<td>19819</td>
</tr>
<tr>
<td>2011</td>
<td>21860</td>
</tr>
<tr>
<td>2010</td>
<td>11305</td>
</tr>
<tr>
<td>2009</td>
<td>17965</td>
</tr>
<tr>
<td>2008</td>
<td>22343</td>
</tr>
<tr>
<td>2007</td>
<td>15891</td>
</tr>
<tr>
<td>2006</td>
<td>3769</td>
</tr>
</tbody>
</table>

Sources: www.dbie.org

OBJECTIVES OF STUDY

- To analyses the trends in FDI and the terrorist attacks in India.
- To identify the impact of Terrorism on the FDI in India.

REVIEW OF LITERATURE

Terrorism involves communicating a, religious, political or ideological message through fear or coercion affecting the innocent public (Wernick, 2006). The objective of such an attack is to influence a group in order to protect the interests of the terrorists (Victoroff, 2005). Despite the heavy causalities and human suffering there has been a great impact on the FDI in India. There are four dimensions of economic cost of terrorism (Looney, 2002) based on the nature of attack, time of attack, the impact and the geographical range of attack. A new dimension to the existing four is the differences in the target attack (Jackson et al 2007). Researchers have identified terrorism as an important global policy issue (Czinkota & Ronkainen, 2009), and a significant international business concern (Ricart et al. 2004). A country’s GDP, exchange rates, employment opportunities, inflation are a measure of its economic growth. The impact of terrorism on all these results from distrust on the part of the foreign investors (Morag, 2006; Major, 2003). Haj-Yehia, 2006 identified certain economic indicators like the rate of investment and consumption, the Government spending on counter terrorism and the international trade as the impact of terrorism.

Persitz (2005) analyzed the effect of Palestinian attack on the Israel and found that terrorism has an impact on the country’s GDP. Shahbaz et al. (2012) studied the relationship between terrorism and FDI. The findings reveal that there is a negative impact of the attacks on the FDI. Eckstein & Tsiddon, 2004 researched that there is a drastic change in the attitudes of the consumer resulting in the changes in the buying behaviour of the customers. The cost of defending a country from terrorists attacks effects the competiteness of international business firms (Spich & Grosse, 2005). Terrorism also affects the efficiency of supply chain and logistics of a country (Czinkota et al., 2005). In certain countries, the terrorism has played a havoc in the inflow of capital to particular areas. (Abadie&Gardeazabal, 2003).

Enders and Sandler (1996) showed that terrorism has reduced net foreign direct investment (NFDI) flows in Spain. Blomberg, Hess, and Orphanides (2004) identified a negative influence of terrorist attacks on economic growth in developing countries, but not in the OECD countries. Decrease in tourist visits a result of terrorism also lead to decline in FDI, as foreign investors may not invest in the hotels (Putra and Hitchcock, 2006, p. 160). FDI also depends on the ability of the firm to respond effectively to interruptions due to terrorism and bounce back to their original form (Branzei & Abdelnour, 2010; Sheffi, 2005). A hierarchy to depict the impact of terrorism by Enderwick (2001) identified primary impact, secondary impact, response-generated impacts and long-term issues. Countries perceived as risky because of the terrorists’ attacks would automatically receive less FDI (Bouchet, 2004).
METHODOLOGY

Secondary data is used in the study to identify the impact of terrorism in the FDI in India and FDI from India. The data relating to FDI in and by India over a period of 10 years from 2006-2015 was taken from the official website of RBI. The percentage increase or decrease in the FDI is calculated to analyses the trend in accordance with number of terror attacks in India. FDI is denoted as the net flow of investment in USD and number of terrorists’ attacks in India measures the terrorism for the study period. Multiple Regression analysis is used in the study to test the relationship between the variables of the study. Regression analysis is used to establish the relationship between the two quantitative variables.

HYPOTHESES FOR STUDY

H₀: There is no significant relationship between terrorism and FDI in India and FDI by India
H₁: There is significant relationship between terrorism and FDI in India and FDI by India

DATA ANALYSIS AND INTERPRETATION

The data on the percentage increase / decrease in FDI is calculated and projected in Table-2

Table-2: Trends in FDI and Terrorist attacks in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Terrorist attacks in India*</th>
<th>Terrorism Index in India*</th>
<th>FDI in India (% increase / decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7</td>
<td>7.57</td>
<td>135</td>
</tr>
<tr>
<td>2007</td>
<td>5</td>
<td>7.54</td>
<td>52.74</td>
</tr>
<tr>
<td>2008</td>
<td>10</td>
<td>7.81</td>
<td>20.10</td>
</tr>
<tr>
<td>2009</td>
<td>2</td>
<td>8.06</td>
<td>-20.61</td>
</tr>
<tr>
<td>2010</td>
<td>6</td>
<td>8.09</td>
<td>-15.94</td>
</tr>
<tr>
<td>2011</td>
<td>2</td>
<td>7.95</td>
<td>18.43</td>
</tr>
<tr>
<td>2012</td>
<td>2</td>
<td>7.72</td>
<td>-18.22</td>
</tr>
<tr>
<td>2013</td>
<td>7</td>
<td>7.70</td>
<td>14.13</td>
</tr>
<tr>
<td>2014</td>
<td>6</td>
<td>7.75</td>
<td>14.70</td>
</tr>
<tr>
<td>2015</td>
<td>2</td>
<td>7.72</td>
<td>27.28</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

It can be inferred from the above table that from 2006 to 2015 there has been a decrease in FDI in India during 2009, 2010 and 2012. For the other years there has been increase in the FDI though the increase is very not significant when compared to 2006. This could be related to the number of terrorist attacks during the period. During 2008, there were 10 attacks and FDI in 2009 decreased by 20.61%, which can be assumed that terrorists’ attack is related to FDI as the investors’ confidence, is lost because of such incidents. FDI in 2011 increased by 18.43% despite 6 attacks in 2011, contrast to this though there were only 2 attacks in 2011 there has been a decrease in FDI by 18.22%. During 2013, there were 7 attacks but the FDI increased by 14.70% and in 2015 FDI increased by 27.28% in spite of the 6 attacks. These are projected in the charts given below. In this context, it is difficult to relate the impact of terrorism on foreign direct investment in India. Therefore, regression analysis is exploited to identify the impact of terrorism on FDI.

Graph-2
The above tables suggest that the independent variable i.e. the terror attacks explains 33.9% of the variance in FDI in India, which is explained by R square value. This indicates that terrorist attacks do not significantly affect FDI to India. The statistical analysis show that the regression value in not significant indicating that terrorism does not explain the variation in the FDI.

The Beta value (-.339) show that terrorist attacks have negative relationship with FDI and is not significant as shown in the above table. Therefore, the null hypothesis is rejected and alternate hypothesis in accepted. This is in contrary to the earlier research findings, which has identified that terrorism impacts FDI.
CONCLUSION

Researches have proved that it is difficult to predict the investors’ behaviour, as there could be various factors, which may be internal or external. India has witnessed several threats from the terrorists through the attacks with an intention to destabilize the economy. Lack of confidence of the investors would result in huge outflow of capital from the affected countries thereby reducing the level of FDI and result in negative impact on inflow of FDI to the country. The motivational force behind any investment is profit but terrorism affects the cost incurred by the country for counter terrorism, increase in hiring cost of security personnel and also affects tourism industry. There could be many reasons affecting flow of FDI into a country and some researchers have identified the negative impact of terrorism on FDI. The findings prove that terrorism has not affected the flow of FDI to India from 2006-2015.

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IMPACT OF SOCIAL MEDIA MARKETING ON FINANCIAL SECTOR

Dr. Amol Murgai

ABSTRACT

Social media is transforming banking relationships in very significant ways, from improving customer service to allowing users to send money to others via online platforms. New financial technology companies are using social media data to help people get access to credit or even simply open a bank account. Social media offers financial institutions the opportunity share thought leadership and promotional offers and increase customer engagement, on a low cost, high value platform, presenting a tempting return on investment. Social media is even affecting our ability to get a loan. Integration is happening so quickly, it is possible to argue that social media platforms may be the banks of the future. The present paper throws light on the impact of social media on financial institutions specially banks. Moreover, the paper goes on highlights how the social media has revolutionized the modern ways of banking.

KEYWORDS

Social Media, Banks, Technology Adoption etc.

INTRODUCTION

Social media platforms can no longer be considered places where people simply connect and communicate in real-time with the click of a button. Platforms, such as WeChat and Viber in Asia as well as the global powerhouse that is Facebook, are increasingly providing a broad range of services to their users either directly or through partners, making them central to people's lives.

Such high levels of penetration, use and engagement have meant that financial institutions have started recognizing the opportunities social media can bring to their businesses. They are looking to gain a competitive advantage over other institutions while also trying to mitigate the threats posed by social media, such as when people share highly sensitive information publicly.

In addition, regulative complexity and a traditional cultural mindset has meant that until recently, the financial services sector has lagged behind some other sectors in their comprehensive adoption of social media and technology.

Social Media and Sales

Social media penetration continues to increase worldwide, with penetration surpassing 50 percent in North America, according to e-Marketer. When viewed as a percentage of internet users, the numbers skyrocket to more than 70 percent worldwide, with penetration in the Middle East and Africa (83.8%), Central and Eastern Europe (75.9%), Latin America (74.9%), North America (67.5%), Asia-Pacific (68.6%) and Western Europe (65.1%) showing no signs of abating.

Figure-1

Worldwide social network user penetration

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>47.3%</td>
<td>50.0%</td>
<td>51.6%</td>
<td>53.1%</td>
<td>54.4%</td>
<td>53.3%</td>
<td>56.3%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>34.5%</td>
<td>38.5%</td>
<td>41.9%</td>
<td>44.5%</td>
<td>46.4%</td>
<td>48.1%</td>
<td>49.4%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>32.0%</td>
<td>36.1%</td>
<td>40.4%</td>
<td>44.2%</td>
<td>47.1%</td>
<td>49.5%</td>
<td>51.8%</td>
</tr>
<tr>
<td>Latin America</td>
<td>25.8%</td>
<td>30.8%</td>
<td>36.2%</td>
<td>40.8%</td>
<td>45.9%</td>
<td>49.1%</td>
<td>52.1%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>13.0%</td>
<td>16.2%</td>
<td>19.7%</td>
<td>22.8%</td>
<td>25.4%</td>
<td>27.9%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>9.5%</td>
<td>12.4%</td>
<td>15.5%</td>
<td>18.0%</td>
<td>20.3%</td>
<td>22.5%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Worldwide</td>
<td>17.6%</td>
<td>20.9%</td>
<td>24.4%</td>
<td>27.4%</td>
<td>30.0%</td>
<td>32.4%</td>
<td>34.5%</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

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Moreover, a research conducted recently in U.S. has shown that the use of social media has a significant positive effect on sales. Salespeople using social media experience 78% greater sales than similarly situated salespeople not using social media do. It is in every salesperson’s best interest to maintain not only a social media presence, but also a presence that projects the message the salesperson is attempting to convey. The social media profile hence becomes impressive and appropriate. It must not only validate the salesperson – it must bring the prospect closer to closing the deal.

Social Media and Financial Services

Financial organisations have started using social media in several different ways. One, of course, is as a sales and marketing tool. More financial customers of all ages, from Millennials to Matures, are using social media networks to seek out information on financial organisations before deciding which ones they want to do business with. As a result, they are shaping brand perceptions through posts, comments and “likes” in ways that many financial organisations are not even aware of.

This makes it critical that financial organisations be proactive, instead of reactive, in managing their social media presence. However, managing comments and likes on social platforms is just the tip of the iceberg when it comes to using social media as a sales and marketing tool. Progressive financial organisations are going beyond just using social media as a customer engagement tool to engage in Social Media, or collecting and using data from social media to gain insights that can help with sales and marketing.

For example, such data can help financial organisations better determine which financial products and services their customers want. It can also help pinpoint which social networks are the most effective platforms to use for placing targeted messages and adverts. And by carefully monitoring customers’ and prospects’ comments and posts on social platforms, financial organisations can gain actionable intelligence that gives them a better handle on their product preferences and enables them to plan their marketing strategies (both online and offline) accordingly.

According to the Accenture report, ‘Moving Beyond Listening and Monitoring: Social Media Marketing for Financial Services,’ services firms can seize opportunities from social media by understanding social audiences, mapping customer needs to a meaningful social experience and ensuring that their organization has the right capabilities to deliver every time, especially financial services. The next level of social media marketing will require a data-driven approach, where social media is an integral part of the overall marketing strategy. It will also require a test-and-learn mindset that can adjust to rapid changes in the social landscape.

Social media provides consumer insights such as attitudes, behaviors, beliefs and needs that can improve personalization as firms try to acquire new customers and build engagement with existing customers. Using techniques such as interest graph analysis, activity feed analysis combined with marketing automation, needs, and life events can be monitored and acted upon in highly personalized, well-timed communication. Encouraging loyal customers to spread their influence on comparison sites and to their friends and family can also achieve growth.

The highly regulated environment of the financial services industry has likely contributed to the fact that many banks and financial institutions have been relatively slow to embrace social media engagement. However, with a deep understanding of the landscape and the compliance issues that govern the industry, financial institutions can have great success within the social media landscape.

Social media offers financial institutions the opportunity share thought leadership and promotional offers and increase customer engagement, on a low cost, high value platform, presenting a tempting return on investment. Research suggests that engaging more financial customers in a well-planned and carefully organized social media marketing campaign is worth the investment. Financial services institutions are beginning to see the benefits of having a competitive social media strategy that meets the evolving needs of the customer and engages with a younger demographic on their chosen platform. They are also realizing that they can achieve sustainable growth and profitability by gaining insight into online customer preferences on social media through analytics that uncover user behavior and provide financial institutions with opportunities to deliver enticing, relevant offers online. The things in financial services are moving very quickly. Financial Technology has emerged as its own industry, encompassing companies that use technology to make financial systems more efficient. A report by Accenture and the Partnership Fund indicated that global investment in FinTech ventures has tripled from around $1 billion in 2008 to nearly $3 billion in 2013. Many of these companies are using social media to revolutionize the traditional business models that the finance sector has relied upon for decades.

Indian Banking Industry has shown a tremendous growth on Social Media platforms like Facebook, Twitter, and YouTube etc. The Banking sector in India has proven that it is not opening saving bank accounts, credit cards, investments, wealth management, and mutual funds, insurance and so on. With the increasing growth in Social Media in India, banks have understood that likes, tweets, shares do matter to engage with the young generation. Lately, Indian Banking Industry has shown a tremendous growth on
Social Media platforms like Facebook, Twitter, and YouTube etc. The Banking sector in India has proven that it is not opening saving bank accounts, credit cards, investments, wealth management, and mutual funds, insurance and so on. With the increasing growth in Social Media in India, banks have understood that likes, tweets, shares do matter to engage with the young generation.

With a more globalized approach and increasing competition, banks have increased their marketing budgets and Social Media is one of the major portion of it. There are banks that we have seen, using social platforms as another customer care, using them to showcase their thought leadership, using them to launch new products, endorsing celebrities and many more.

There are five key areas where social media is changing financial services around the world:

Customer Service

A key element to ensuring social media success is having executive level support to enable and encourage experimenting and learning. This makes it easier to “stick with it” since it takes significant commitment, time, and resources to be successful in social media. To date, they have over 260 followers on Twitter and over 200 likes of their Facebook page. Moreover, a growing number of customers expect real-time responses from their service providers. When customers are not happy with the service they are receiving and want to vent their frustration, they increasingly turn to public channels, aware that no company wants the negative publicity. Thus, more and more banks and insurance companies are adding social media (usually Twitter and Facebook pages) as a permanent channel for retail customer interaction, fully integrated into Customer Relationship Management (CRM) systems. This type of public customer service requires caution. The biggest challenge is maintaining security standards when customers unknowingly provide personal information. As a result, banks have had to implement sophisticated social media policies to handle situations with sometimes-emotional clients, since conversations that were previously private and one-on-one are now being broadcast for everyone to see.

Marketing

Social media marketing can no longer be disassociated from a company’s overall marketing strategy, forcing them to adopt not only a data-driven approach but also a test-and-learn mindset that can handle an ever-changing social environment.

New Product/Service Development

Social media is not just being used to deliver new products and services; it is also being used to design them. In Turkey, DenizBank has revolutionized the banking model by offering banking services through Facebook: customers can connect to their Facebook account and access their bank account to initiate wire transfers and manage daily expenses by monitoring their credit cards. Another example is Barclaycard's Ring MasterCard, which was developed through crowd sourcing on social media to design and pick the most popular features for the new product.

Reducing Costs and Improving Efficiencies

In addition to using Facebook to reduce the costs of customer service, banks are using it as an alternative to online banking and an efficient way to process applications. In October 2013, ICICI bank, an Indian multinational banking and financial services company, launched Pockets, a mobile app that allows users to login to their bank using their Facebook credentials. The app allows users to send money to friends, pay utility bills, recharge mobile phones, and buy movie tickets. The fact that banks are using Facebook credentials to verify identity marks an important turning point for banking institutions.

New Business Models

Chinese social media platforms are leading the way in the exciting area of creating new business models using social media. A useful summary of the scale of this innovation in China is provided hereby Bloomberg: an individual can pay their rent using Alipay from Alibaba, bank using WeChat's WeBank and buy mutual funds from Baidu. More than 100 million of the 815 million active users of Tencent’s QQ messaging service have already integrated their bank cards with the QQ Wallet.

CONCLUSION

Social media has taken the world by storm over the past decade. Facebook, which is generally considered to be the “grandfather” of social media, was only founded 11 years ago, YouTube the next year and Twitter two years later. Consumers want to connect with their banks, wealth management firms, and insurance providers on social media just as they do with other providers of goods and services in our increasingly social world. They do not care about the extra regulatory restraints and logistical details that make it challenging your financial institution to be present and responsive on these channels. They expect you to be there. The highly regulated environment of the financial services industry has likely contributed to the fact that many banks and financial
institutions have been relatively slow to embrace social media engagement. However, with a deep understanding of the landscape and the compliance issues that govern the industry, financial institutions can have great success within the social media landscape. Generally, adoption has been slow and most traditional banks today have only implemented limited programs, which are often run in isolation from the core business and not as an integrated solution. The opportunities social media provides do not concern only customer service and marketing, but more fundamentally affect the products and services themselves. New business models are changing the entire industry. Large, complex and highly regulated entities are being forced to learn how to innovate and roll out new ideas in agile ways to test and iterate quickly.

Many of the new players in the financial services sector are still trying to find long-term profitable business models that will stand the test of time. As they grow and time passes, they must be prepared for more regulation. It will also be critical for FinTech companies to build trust, something that banks have not always excelled at. Compliance, security and privacy will become more prominent as regulators struggle to balance the need to protect consumers and prevent money laundering while enabling greater financial inclusion throughout the world.

Finally, imagine a future where all deposits, payments, remittance and investment can be handled within social networks in easy and intuitive ways. In this world, cash becomes much less important and the friends you have online can support your path to financial freedom by transferring funds, vouching for you or supporting your financial goals. The friction that exists across the industry today would be dramatically reduced.

Social media is changing the way the financial services industry operates; the future is bright for increased financial inclusion, lower costs and better customer service. It remains to be seen who will ultimately emerge as the dominant force in financial sector.

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PERFORMANCE EVALUATION: A COMPARATIVE STUDY BETWEEN INDIAN AND FOREIGN EQUITY MUTUAL FUNDS

Dr. B. Narayanan

ABSTRACT

Mutual Fund Investment has been growing importance in India. When compared with other financial instruments, investments in Mutual funds are safer and yields more returns on the portfolio investment. This enables the fund managers to understand investment pattern and preferences of investor’s behind investing in Mutual Funds. Therefore, Mutual fund companies should promote financial awareness amongst the respondents to channelize their income and savings towards Mutual Funds.

INTRODUCTION

Saving for the future is good. Investing for it is even better. Mutual funds have many benefits that make them one of the most efficient, cost effective, and easy investment options available. They are also ideal vehicles for individual investors who do not have the time, willingness or ability to manage their own portfolio of bonds or stocks. The Indian mutual fund industry is one of the fastest growing sectors in the Indian capital and financial markets. The mutual fund industry in India has seen dramatic improvements in quality as well as quality of product and service offerings in recent years. Mutual fund industry today is one of the most preferred investment avenues in India. However, with a plethora of schemes to choose from, the retail investor faces problems in selecting funds. Factors such as investment strategy and management style are qualitative, but the funds record is an important indicator too. Though past performance alone cannot be indicative of future performance, it is, frankly, the only quantitative way to judge how good a fund is at present.

Difference between Shares and Mutual Funds

A company may want to go for an expansion of its activities or modernization of its production system for which it needs additional capital. The company divides its total capital requirement into small units of equal value. Each such unit is called a share. These units are then offered for sale to the public to raise the required capital. This process is known as Initial Public Offer of shares or IPO when it is issued for the first time. If the company needs further capital, it may issue a Follow-on Public Offer (FPO) after the first issue. A person who buys these shares is called a shareholder of the company. A shareholder gets voting rights for company affairs and indirectly gives the ownership of the company to the extent of shares held by him.

MUTUAL FUNDS

Mutual funds are entities managed by fund managers who are experts in the field of financial products and who have good knowledge and grip of the stock market. They collect money from several thousand investors and invest them in various shares on behalf of the investors. Depending upon the value of the shares, they hold at the end of the day, the fund managers publish the existing value of the shares, which is called the Net Asset Value or NAV for short. By investing in Mutual Funds, you are diversifying your investments thereby reducing the risk factor in case of a sudden market crash.

Industry Profile: Mutual Funds Industry in India

To state in simple words, a mutual fund collects the savings from small investors, invest them in Government and other corporate securities and earn income through interest and dividends, besides capital gain. It works on the principle of “small drop of water makes a big ocean”.

Definition

The securities and Exchange Board of India (Mutual Funds) Regulation, 1993 defines a mutual fund “a fund established in the form of a trust by a sponsor, to raise monies by the trustees through the sale of units to the public, under one or more schemes, for investing in securities in accordance with these regulations” According to Weston J. Fred and Brigham, Eugene, F. Unit trusts are “corporations which accept dollars from savers and then use these dollars to buy stock, long term bonds, short term debt instruments issued by business or government units; these corporations pool funds and thus reduce risk by diversification.

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OBJECTIVES

- To compare the performance of Indian and foreign equity mutual funds.
- To evaluate performance of different equity mutual funds schemes based on risk return parameters.
- To evaluate the performance of the Indian and foreign equity mutual funds on risk adjusted measures as suggested by Sharpe, Treynor.
- To suggest the investor to know the risk and return factor for effective investment.

LITERATURE REVIEW

Mishra, et al., (2002) measured mutual fund performance using lower partial moment. In this paper, measures of evaluating portfolio performance based on lower partial moment are developed. Risk from the lower partial moment is measured by taking into account only those states in which return is below a prespecified “target rate” like risk-free rate. Kshama Fernandes (2003) evaluated index fund implementation in India. In this paper, tracking error of index funds in India is measured. The consistency and level of tracking errors obtained by some well-run index fund suggests that it is possible to attain low levels of tracking error under Indian conditions. At the same time, there do seem to be periods where certain index funds appear to depart from the discipline of indexation. Zakri Y. Bello (2005) matched a sample of socially responsible stock mutual funds matched to randomly select conventional funds of similar net assets to investigate differences in characteristics of assets held, degree of portfolio diversification and variable effects of diversification on investment performance. The study found that socially responsible funds do not differ significantly from conventional funds in terms of any of these attributes. Moreover, the effect of diversification on investment performance is not different between the two groups. Both groups underperformed the Domini 400 Social Index and S & P 500 during the study period.

RESEARCH METHODOLOGY

Sampling Design

Equity mutual funds, which have been operating for greater than two years and performing during the period of study (i.e. 2014-2016), were selected for present research. There were 28 such mutual funds that were classified into Indian and Foreign equity mutual funds. This includes:

- 5 Indian Equity Diversified Funds,
- 4 Equity Index Funds,
- 6 Equity Tax Saving Funds,
- 2 Equity Technology Funds,
- 3 Foreign Equity Diversified Funds,
- 2 Foreign Equity Index Funds,
- 4 Foreign Equity Tax Saving Funds,
- 2 Foreign Equity Technology Funds.

The reasons for studying the performance of mutual fund for a period of three years (2014-2016) are:
• A large number of mutual funds had been launched during 2014-2016.
• The mutual fund industry in India registered notable growth during the 2014-2016.
• The Indian stock market had done exceptionally well during 2014-2016.

Tools Used For Study

The performance of selected funds is evaluated using average rate of return of fund, standard deviation, risk/return, Sharpe & Treynor Ratio, Treynor ratio. Return alone should not be considered as the basis of measurement of the performance of a mutual fund scheme, it should also include the risk taken by the fund manager because different funds will have different levels of risk attached to them. Risk associated with a fund, in general, can be defined as variability or fluctuations in the returns generated by it. The higher the fluctuations in the returns of a fund during a given period, the higher will be the risk associated with it. Standard deviation is a statistical measure of the range of a fund’s performance, and is prepared as an annual number. When a fund has a high standard deviation, its range of that combines both risk and reward are Sharpe & Treynor Ratio and Treynor ratio.

Sharpe’s Performance Index

Sharpe’s performance index gives a single value to be used for the performance ranking of various funds or portfolio. Sharpe index measures the risk premium of the portfolio relative to total amount of risk in the portfolio. This risk premium is the difference between the portfolio’s average rate of return and the riskless rate of return. The standard deviation of the portfolio indicates the risk. The index assigns the highest values to assets that have best risk adjusted average rate of return:

\[ S_t = \frac{R_p - R_f}{\sigma_p} \]

Treynor’s Performance Index

To understand the treynor index, an investor should know the concept of characteristics line. The relationship between a given market return and the fund’s return is given by the characteristics line. The fund’s performance is measured in relation to market performance. The ideal fund’s return rises at a faster rate than the general market return, in the decline. The ideal funds may place in the treasury bills or short sell the stock during the decline and earn positive return. The relationship between the ideal fund’s rate and the market’s rate of return.

\[ T_n = \frac{R_p - R_f}{\beta_p} \]

STANDARD DEVIATION (\(\sigma\))

A statistical measure of the dispersion of a set of data from its mean. The more spread apart the data is, the higher the deviation. The standard deviation tells us how much the return on the funds is deviating from the expected normal returns

\[ \sigma^2 = \frac{\sum (Ri - \bar{R})^2}{N - 1} \]

Where, \(\bar{R}\) is the sample mean, Ri is the observations (returns), and N is the total number of observations or the sample size.

BETA (\(\beta\))

Beta coefficient compares the variability of the fund’s return to the market as a whole. By convention, market will have beta 1.0. Mutual fund can be as volatile, more volatile or less volatile.

Beta is calculated as

\[ \text{Beta} = \frac{n \times \text{sum}(xy) - [\text{sum}(x) \times \text{sum}(y)]}{n \times \text{sum}(x^2) - \text{sum}(x)^2} \]

Where, n denotes the total number of observations, y = fund’s return percentage; x = market’s return percentage.

ALPHA (\(\alpha\))

Alpha represents the difference between a mutual fund’s actual performances that would be expected based on the level of risk taken by the manager. If a fund produced the expected return for the level of risk assumed, the fund would have an alpha equal to zero.
\( \overline{X} \) and \( \overline{Y} \) respectively represent the arithmetic average of \( x \) and \( y \).

An alpha of 1.0 means the fund outperformed the market 1.0%. A positive alpha is the extra return awarded to the investor for taking additional risk rather than accepting the market return.

\[ \text{Alpha} = \overline{Y} - \beta \cdot \overline{X} \]

Funds Selected for the Study

The Indian and foreign equity mutual funds are classified into the following categories:

- Indian equity diversified funds,
- Indian equity index funds,
- Indian equity tax savings funds,
- Indian equity technology funds,
- Foreign equity diversified funds,
- Foreign equity index funds,
- Foreign equity tax savings funds,
- Foreign equity technology funds.

ANALYSIS AND INTERPRETATION

Indian Equity Tax Saving Fund

Table 1: Showing Risk and Return

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indian Equity Tax Saving Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HDFC Long Term</td>
<td>0.459</td>
<td>0.531</td>
<td>3.960</td>
</tr>
<tr>
<td>2</td>
<td>Axis Long Term</td>
<td>0.886</td>
<td>0.615</td>
<td>3.607</td>
</tr>
<tr>
<td>3</td>
<td>Principal Tax Savings Fund</td>
<td>0.539</td>
<td>0.543</td>
<td>4.440</td>
</tr>
<tr>
<td>4</td>
<td>Tata Tax Saving Fund</td>
<td>0.13</td>
<td>0.684</td>
<td>3.129</td>
</tr>
<tr>
<td>5</td>
<td>SBI Magnum Tax Gain Scheme</td>
<td>0.442</td>
<td>0.618</td>
<td>3.863</td>
</tr>
<tr>
<td>6</td>
<td>Sundaram Tax Saving</td>
<td>0.319</td>
<td>0.506</td>
<td>4.119</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, Axis Long Term Fund has excess return (alpha) against benchmark index where as Tata Tax Savings Fund has higher risk against market index. The volatility of return is high for Principal Tax Savings Fund.

Table 2: Sharpe & Treynor Ratio

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indian Equity Tax Saving Fund</th>
<th>Sharpe</th>
<th>Rank</th>
<th>Treynor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HDFC Long Term</td>
<td>4.411</td>
<td>4</td>
<td>32.863</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Axis Long Term</td>
<td>9.269</td>
<td>1</td>
<td>54.342</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Principal Tax Savings Fund</td>
<td>4.595</td>
<td>3</td>
<td>37.570</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Tata Tax Saving Fund</td>
<td>0.45</td>
<td>6</td>
<td>2.06</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>SBI Magnum Tax Gain Scheme</td>
<td>4.641</td>
<td>2</td>
<td>29.014</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Sundaram Tax Saving</td>
<td>2.976</td>
<td>5</td>
<td>24.206</td>
<td>5</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Form the above table, it is found that Axis Long Term ranks top among the six funds because of the higher return and low volatility in return followed by SBI Magnum Tax Gain Scheme and Principal Tax Savings Fund. The Tata Tax Saving Fund have negative Sharpe & Treynor Ratio. Therefore, it indicates that the company is having more negative performance assets.

According to the Treynor ratio, Axis Long Term has high value due to the high-risk premium and low market risk, followed by Principal Tax Savings Fund. Tata Tax Saving Fund premium is having low market risk where as premium related risk is high.
Indian Equity Diversified Funds

Table-3: Risk and Return

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indian Equity Diversified Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tata Ethical Mutual Fund</td>
<td>0.696</td>
<td>0.731</td>
<td>3.063</td>
</tr>
<tr>
<td>2</td>
<td>Birla Sun Life Advantage Fund</td>
<td>0.218</td>
<td>0.518</td>
<td>4.238</td>
</tr>
<tr>
<td>3</td>
<td>L&amp;T India Special Situations Fund</td>
<td>0.412</td>
<td>0.648</td>
<td>3.953</td>
</tr>
<tr>
<td>4</td>
<td>Taurus Ethical Fund</td>
<td>0.278</td>
<td>0.727</td>
<td>3.110</td>
</tr>
<tr>
<td>5</td>
<td>Tata Equity</td>
<td>0.443</td>
<td>0.674</td>
<td>3.635</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, Tata Ethical Mutual Fund has excess return (alpha) and higher risk against market index. The volatility of return is high for Birla Sun Life Advantage Fund.

Table-4: Sharpe & Treynor Ratio

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indian Equity Diversified Fund</th>
<th>Sharpe</th>
<th>Rank</th>
<th>Treynor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tata Ethical Mutual Fund</td>
<td>9.191</td>
<td>1</td>
<td>38.511</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Birla Sun Life Advantage Fund</td>
<td>2.091</td>
<td>5</td>
<td>17.118</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>L&amp;T India Special Situations Fund</td>
<td>4.357</td>
<td>3</td>
<td>26.592</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Taurus Ethical Fund</td>
<td>4.336</td>
<td>4</td>
<td>18.546</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Tata Equity</td>
<td>5.125</td>
<td>2</td>
<td>27.639</td>
<td>2</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table, it is found that the Tata Ethical Mutual Fund ranks top among the five funds because of the higher return and low volatility in return followed by Tata Equity Fund and L&T India Special Situations Fund. According to Treynor ratio, Tata Ethical Mutual Fund has high value due to the high-risk premium and low market risk, followed by Tata Equity and Birla Sun Life Advantage Fund premium is having low market risk where as premium related risk is high.

Indian Equity Index Fund

Table-5: Risk and Return

<table>
<thead>
<tr>
<th>S. No</th>
<th>Indian Equity Index Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HDFC Nifty Fund</td>
<td>0.141</td>
<td>0.671</td>
<td>4.027</td>
</tr>
<tr>
<td>2</td>
<td>Birla Sun Life Index</td>
<td>0.102</td>
<td>0.677</td>
<td>4.012</td>
</tr>
<tr>
<td>3</td>
<td>SBI Magnum Index Fund</td>
<td>0.125</td>
<td>0.673</td>
<td>4.012</td>
</tr>
<tr>
<td>4</td>
<td>ICICI Prudential Index Plan</td>
<td>0.162</td>
<td>0.686</td>
<td>3.925</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, ICICI Prudential Index Plan having excess return (alpha) and higher risk against market index. The volatility of return is high for HDFC Nifty Fund.

Table-6: Sharpe & Treynor Ratio

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indian Equity Index Fund</th>
<th>Sharpe</th>
<th>Rank</th>
<th>Treynor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HDFC Nifty Fund</td>
<td>1.996</td>
<td>2</td>
<td>11.974</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Birla Sun Life Index</td>
<td>1.676</td>
<td>4</td>
<td>9.933</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>SBI Magnum Index Fund</td>
<td>1.867</td>
<td>3</td>
<td>11.127</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>ICICI Prudential Index Plan</td>
<td>2.277</td>
<td>1</td>
<td>13.028</td>
<td>1</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Form the above table, it is found that ICICI Prudential Index Plan ranks top among the four funds because of the higher return and low volatility in return followed by HDFC Nifty Fund and SBI Magnum Index Fund. The Treynor ratio state that the ICICI Prudential Index Plan has high value due to the high-risk premium and low market risk, followed by SBI Magnum Index Fund. Birla Sun Life Index premium is having low market risk where as premium related risk is high.
Indian Equity Technology Fund

Table 7: Risk and Return

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indian Equity Technology Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Birla Sun Life New Millennium Fund</td>
<td>0.978</td>
<td>0.363</td>
<td>4.484</td>
</tr>
<tr>
<td>2</td>
<td>ICICI Prudential Technology Fund</td>
<td>1.647</td>
<td>0.362</td>
<td>4.911</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, ICICI Prudential Technology Fund has excess return (alpha) against benchmark index. Birla Sun Life New Millennium Fund have taken higher risk against market index. The volatility of return is high for ICICI Prudential Technology Fund.

Table 8: Sharpe & Treynor Ratio

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indian Equity Technology Fund</th>
<th>Sharpe</th>
<th>Rank</th>
<th>Treynor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Birla Sun Life New Millennium Fund</td>
<td>7.496</td>
<td>2</td>
<td>92.583</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>ICICI Prudential Technology Fund</td>
<td>11.608</td>
<td>1</td>
<td>157.683</td>
<td>1</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Form the above table; it is found that the ICICI Prudential Technology Fund ranks first between the two funds because of the higher return and low volatility in return followed by Birla Sun Life New Millennium Fund. The Treynor ratio inferred that, ICICI Prudential Technology Fund has high value due to the high-risk premium and low market risk. Birla Sun Life New Millennium Fund premium is having low market risk where as premium related risk is high.

Foreign Equity Tax Saving Fund

Table 9: Risk and Return

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Foreign Equity Tax Saving Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DWS Tax Saving Fund</td>
<td>0.137</td>
<td>0.641</td>
<td>3.751</td>
</tr>
<tr>
<td>2</td>
<td>DSPBR Tax Saver Fund</td>
<td>0.417</td>
<td>0.587</td>
<td>4.130</td>
</tr>
<tr>
<td>3</td>
<td>BNP Paribas Tax Advantage Plan</td>
<td>0.669</td>
<td>0.687</td>
<td>3.359</td>
</tr>
<tr>
<td>4</td>
<td>Franklin India Tax Shield</td>
<td>0.421</td>
<td>0.704</td>
<td>3.375</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, BNP Paribas Tax Advantage Fund has excess return (alpha) against benchmark index. Franklin India Tax Shield has taken higher risk against market index. The volatility of return is high for DSPBR Tax Saver Fund.

Table 10: Sharpe & Treynor Ratio

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Foreign Equity Tax Saving Fund</th>
<th>Sharpe</th>
<th>Rank</th>
<th>Treynor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DWS Tax Saving Fund</td>
<td>2.007</td>
<td>4</td>
<td>11.744</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>DSPBR Tax Saver Fund</td>
<td>4.034</td>
<td>3</td>
<td>28.373</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>BNP Paribas Tax Advantage Plan</td>
<td>7.944</td>
<td>1</td>
<td>38.845</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Franklin India Tax Shield</td>
<td>5.392</td>
<td>2</td>
<td>25.857</td>
<td>3</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Form the above table, it is found that the BNP Paribas Tax Advantage Plan fund ranks top among the four funds because of the higher return and low volatility in return followed by Franklin India Tax Shield and DSPBR Tax Saver Fund. The Treynor ratio indicates that, BNP Paribas Tax Advantage Plan has high value due to the high-risk premium and low market risk, followed by DSPBR Tax Saver Fund. DWS Tax Saving Fund premium is having low market risk where as premium related risk is high.
Foreign Equity Diversified Fund

Table-11: Risk and Return

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Foreign Equity Diversified Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DSPBR Top 100 Equity Fund</td>
<td>0.146</td>
<td>0.636</td>
<td>3.830</td>
</tr>
<tr>
<td>2</td>
<td>Franklin India Opportunities Fund</td>
<td>0.086</td>
<td>0.615</td>
<td>4.073</td>
</tr>
<tr>
<td>3</td>
<td>BNP Paribas Equity Fund</td>
<td>0.429</td>
<td>0.789</td>
<td>3.207</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, BNP Paribas Equity Fund has excess return (alpha) and higher risk against market index. The volatility of return is high for Franklin India Opportunities Fund.

Table-12: Sharpe & Treynor Ratio

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Foreign Equity Diversified Fund</th>
<th>Sharpe</th>
<th>Rank</th>
<th>Treynor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DSPBR Top 100 Equity Fund</td>
<td>2.021</td>
<td>2</td>
<td>12.227</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Franklin India Opportunities Fund</td>
<td>1.329</td>
<td>3</td>
<td>8.801</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>BNP Paribas Equity Fund</td>
<td>6.092</td>
<td>1</td>
<td>24.755</td>
<td>1</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Form the above table, it is found that the BNP Paribas Equity Fund ranks top among the three funds because of the higher return and low volatility in return followed by DSPBR Top 100 Equity Fund and Franklin India Opportunities Fund. The Treynor indicates that, BNP Paribas Equity Fund has high value due to the high-risk premium and low market risk, followed by DSPBR Top 100 Equity Fund. Franklin India Opportunities Fund premium is having low market risk where as premium related risk is high.

Foreign Equity Index Fund

Table-13: Risk and Return

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Foreign Equity Index Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Franklin India Index Fund BSE Sensex Plan</td>
<td>0.147</td>
<td>0.684</td>
<td>3.817</td>
</tr>
<tr>
<td>2</td>
<td>GS Nifty BeES</td>
<td>0.150</td>
<td>0.644</td>
<td>4.074</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, GS Nifty BeES Fund has excess return (alpha) against benchmark index. Franklin India Index Fund BSE Sensex Plan have taken higher risk against market index. The volatility of return is high for GS Nifty BeES.

Table-14: Sharpe & Treynor Ratio

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Foreign Equity Index Fund</th>
<th>Sharpe</th>
<th>Rank</th>
<th>Treynor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Franklin India Index Fund BSE Sensex Plan</td>
<td>2.196</td>
<td>1</td>
<td>12.254</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>GS Nifty BeES</td>
<td>1.962</td>
<td>2</td>
<td>12.415</td>
<td>1</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Form the above table, it is found that Franklin India Index Fund BSE Sensex Plan took the first place because of the higher return and low volatility and followed by GS Nifty BeES took the second place. The Treynor states that, GS Nifty BeES has high value due to high-risk premium and low market risk. Franklin India Index Fund BSE Sensex plan premium is having low market risk where as premium related risk is high.

Foreign Equity Technology Fund

Table-15: Risk and Return

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Foreign Equity Technology Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DSPBR Technology</td>
<td>1.026</td>
<td>0.23</td>
<td>4.435</td>
</tr>
<tr>
<td>2</td>
<td>Franklin InfoTech Fund</td>
<td>1.146</td>
<td>0.227</td>
<td>5.184</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
From the above table it is inferred that, Franklin InfoTech Fund has excess return (alpha) and higher risk against market index. The volatility of return is high for Franklin InfoTech Fund.

Table-16: Sharpe & Treynor Ratio

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Foreign Equity Technology Fund</th>
<th>Sharpe</th>
<th>Rank</th>
<th>Treynor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DSPBR Technology</td>
<td>6.340</td>
<td>2</td>
<td>121.46</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Franklin InfoTech Fund</td>
<td>7.304</td>
<td>1</td>
<td>166.566</td>
<td>1</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, Franklin InfoTech Fund rank first among the two funds because of the higher return and low volatility in return followed by DSPBR Technology. The Treynor ratio shows that the Franklin InfoTech Fund has high value due to the high-risk premium and low market risk. DSPBR Technology premium is having low market risk where as premium related risk is high.

Table-17: Risk (Standard Deviation) and Return (Mean Return)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indian Equity Fund</th>
<th>Return</th>
<th>Risk</th>
<th>Foreign Equity Fund</th>
<th>Return</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Equity Tax Saving Fund</td>
<td>0.49</td>
<td>3.89</td>
<td>Equity Tax Saving Fund</td>
<td>0.64</td>
<td>3.65</td>
</tr>
<tr>
<td>2</td>
<td>Equity Diversified Fund</td>
<td>0.56</td>
<td>3.73</td>
<td>Equity Diversified Fund</td>
<td>0.45</td>
<td>3.71</td>
</tr>
<tr>
<td>3</td>
<td>Equity Index Fund</td>
<td>0.37</td>
<td>3.99</td>
<td>Equity Index Fund</td>
<td>0.38</td>
<td>3.95</td>
</tr>
<tr>
<td>4</td>
<td>Equity Technology Fund</td>
<td>1.44</td>
<td>4.70</td>
<td>Equity Technology Fund</td>
<td>1.09</td>
<td>4.81</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it is inferred that, among Indian Equity Funds, the returns have highest for Indian Equity Technology Funds followed by Equity Diversified Funds. In case of Foreign Equity Funds, Equity Technology Funds stood top in return followed by Equity Tax Saving Funds. A comparison of Indian and Foreign Equity Mutual Funds reveals that there is much difference in the return. As far as risk is concerned, a marked difference is observed between all Indian and Foreign Equity Mutual Funds. For Indian Equity Funds, the risk is highest for Indian equity technology funds and lowest for Equity Diversified Funds. In case of Foreign Equity Mutual Funds, the risk is higher for Foreign Equity Technology Funds and lowest for Equity Tax Saving Funds.

FINDINGS

Indian Equity Tax Saving Funds

In the return analysis, Axis Long Term Fund having excess return against benchmark index. The volatility of return was higher for Principal Tax Savings. The Axis Long Term Fund ranks top among the six funds because of the higher return and low volatility in return. The Tata Tax Saving Fund have negative Sharpe & Treynor Ratio. From the Treynor ratio, Axis Long Term Fund has high value due to the high risk and low market risk. Tata Tax Saving Fund premium is low and the market related risk is high.

Foreign Equity Tax Saving Funds

In the return analysis, BNP Paribas Tax Advantage Fund has excess return against benchmark index. The volatility of return was higher for DSPBR Tax Saver Fund. Sharpe & Treynor Ratio indicates that the performance is better for BNP Paribas Tax Advantage Plan. From the Treynor ratio, it was found that, BNP Paribas Tax Advantage Plan has high due to the high-risk premium and low market risk. DWS Tax Saving Fund premium is having low market risk premium related risk is high.

Indian Equity Diversified Funds

In the return analysis Tata Ethical Fund having excess return against benchmark index. The volatility of return was higher for Birla Sun Life Advantage Fund. Sharpe & Treynor Ratio indicates that the performance is better for Tata Ethical. From the Treynor ratio it was found that, Tata Ethical Mutual Fund has high value due to the high-risk premium and low market risk. Birla Sun Life Advantage Fund premium is having low market risk premium related risk.

Foreign Equity Diversified Funds

In the return analysis BNP Paribas Equity Fund having excess return against benchmark index. The volatility of return was higher for Franklin Indian Opportunities Fund. Sharpe & Treynor Ratio indicates that the performance is better for BNP Paribas Equity Fund. From the Treynor ratio, it was found that BNP Paribas Equity Fund has high value is due to the high-risk...
premium and the low market risk. **Franklin Indian Opportunities Fund** premium is having low market risk premium related risk is high.

**Indian Equity Index Funds**

In the return analysis, **ICICI Prudential Index Plan** having excess return against benchmark index. The volatility of return was higher for **HDFC Nifty Fund**. Sharpe & Treynor Ratio indicates that the performance is better for **ICICI Prudential Index Plan**. From the Treynor ratio is found that, **ICICI Prudential Index Plan** has high value is due to the high-risk premium and the low market risk. **Birla Sun Life Index** Fund premium is having low market risk premium related risk is high.

**Foreign Equity Index Funds**

In the return analysis, **GS Nifty BeES Fund** having excess return against benchmark index. The volatility of return was higher for **GS Nifty BeES Fund**. Sharpe & Treynor Ratio indicates that the performance is better for **Franklin India Index Fund**. From the Treynor ratio, it was found that, **GS Nifty BeES Fund** has high value is due to the high-risk premium and the low market risk.

**Indian Equity Technology Funds**

In the return analysis, **ICICI Prudential Technology Fund** having excess return against benchmark index. The volatility of return was higher for **ICICI Prudential Technology Fund**. Sharpe & Treynor Ratio indicates that the performance is better for **ICICI Prudential Technology Fund**. From the Treynor ratio, it was found that, **ICICI Prudential Technology Fund** has high value is due to the high-risk premium and low market risk. **Birla Sun Life New Millennium Fund** premium is having low market risk premium related risk is high.

**Foreign Equity Technology Funds**

In the return analysis, **Franklin InfoTech Fund** having return against benchmark index. The volatility of return was higher for **Franklin InfoTech Fund**. Sharpe & Treynor Ratio indicates that the performance is better for **Franklin InfoTech Fund**. From the Treynor ratio, it was found that **Franklin InfoTech Fund** has high value is due to the high-risk premium and low market risk. **DSPBR Technology Fund** premium is having low market premium related risk is high.

**SUGGESTIONS**

- Higher risk gives higher returns, but this varies between the investors on their risk taking capabilities.
- To avoid the higher risk they must invest in long-term securities.
- The foreign equity diversified funds and equity index funds are having higher risk when compared to Indian equity diversified and Indian equity index funds. Therefore, investor can prefer investing in Indian equity funds.

**CONCLUSION**

In the competitive world, there are various investment avenues available to invest, but the investors are difficult to choose the proper investment option. The researcher made a study and found that all the Indian equity funds are performed well, when compared to foreign equity funds.

**REFERENCES**


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*****
A STUDY ON CUSTOMER SATISFACTION IN STATE BANK OF INDIA OF TIRUCHIRAPPALLI CORPORATION

Dr. M. Manimekalai

ABSTRACT

Advancement in technology has resulted in the introduction of sophisticated products, which require services. The banking industry slowly recognized the significance of customer-contact relationship and the responsive employees in delivering service. At present, the bankers are trying to reach the different sections of the society as per the priorities of the nation. In this high degree of competitive world, the banks could not differentiate among themselves based on price as it is regulated by Reserve Bank of India. Technology has opened a new gate for the banks to introduce uniqueness in delivery systems.

KEYWORDS

Customer Satisfaction, Service Quality, Customer Centrism, Customer Relationship Management etc.

INTRODUCTION

The banking industry in India has undergone sea change post independence. More recently, liberalization, the opening up of the economy in the 1990s and the government’s decision to privatize banks by reduction in state ownership culminated in the banking reforms based on the recommendations of the Narasimham committee.

Excellent service quality is not an optional competitive strategy, which may or may not, be adopted to differentiate one bank from another: today it is essential to corporate profitability and survival. The link between service quality and customer satisfaction has been submitted to intense scrutiny by leading service quality researchers (Bitner and Hubbert, 1994; Bolton and Drew, 1994), as well as the links between quality, customer satisfaction, customer retention and profitability (Storbacka et al., 1994). New technologies are being introduced and there is always a fear of economic uncertainties. In modern economics, service sector plays significant role side by side manufacturing and other sectors. Banking sector performs its activities economically and socially in a country.

Banks plays an important role in the economic development of a country. A financial institution accepts deposits and channels those deposits into lending activities either directly or through capital market. A bank connects customer which capital deficits to those customers with capital surpluses. The banking industry in India is facing certain challenges i.e. challenges of quality service, customer satisfaction, customer retention, customer loyalty, quality service plays a major role in achieving customer satisfaction and creating brand loyalty in banking sector.

REVIEW OF LITERATURE

- Although excellent service recoveries can enhance customer satisfaction and increase repatronage intentions, viewing service failures as opportunities to impress customers with good service performance may involve substantial risks. Amy K. Smith and Ruth N. Bolton (1998)
- Delivering high quality service during the service encounter is central to competitive advantage in service organizations. Andreas C. Soteriou and Richard B. Chase (2000)
- Successful customer relationship management’s centre of attraction is on understanding the needs of customers. Fox & Stead (2001)
- People do not like wasting their time on unproductive activities any more than they like wasting money do. Customer dissatisfaction with delays in receiving service can often stimulate strong emotions, including anger. Ana B. Casado Diaz and Francisco J. Mas Ruiz (2002)
- Increase in service quality of the banks can satisfy and develop attitudinal loyalty which ultimately retains valued customers. Nadiri H., Kandampully J., and Hussain K. (2009)

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SCOPE OF STUDY

- The SBI is the largest of the Big four banks of India, along with ICICI Bank, Punjab National Bank and HDFC Bank – its main competitors.
- The SBI has 13,661 branches and 5220 ATMs (1548 - On site ATM and 3672- Off site ATM) as on 31st December 2011. SBI has 16,000 branches including 190 foreign offices and assets worth of US$388 billion as on December 2013.
- As per the Forbes Fortune 500 list, State Bank of India ranks 292th rank with $ 32,450 million as revenue as on July 2011.
- SBI ranks as 49th in the list of largest banks in the world based on market capitalization as of January 2012.
- The success of this bank over the period is based on the service quality, which has resulted in customer satisfaction and loyalty towards the bank.

RESEARCH QUESTIONS

- How does the service environment influence the customer satisfaction?
- How the CRM does influence the customer satisfaction?
- In what manner the quality of service provided by the bank influence the customer satisfaction.

OBJECTIVES OF STUDY

- To study the impact of service encounters and service interaction on customer satisfaction.
- To analyze the influence of waiting time strategy of the bank on customer satisfaction.
- To evaluate the impact of service complaints on customer satisfaction.

ASSUMPTION OF THE STUDY AND HYPOTHESES TESTED

- Among the demographic variables, it has been observed that the occupational pattern and monthly income of customers are the most influencing factors on customer satisfaction in the banking sector. Hence, the relationship has been studied by framing hypothesis for these two factors only.
- The hypotheses are framed to study the customer satisfaction based on research dimensions namely customer complaints, waiting time strategy and customer relationship.

CONCEPTUAL MODEL OF THE STUDY

![Conceptual Model of the Study](image-url)
Sampling Design: Stratified Random Sampling

- SBI’s corporate office is situated at Mumbai. There are 13 circles in the national level. Each circle has 5 to 6 modules. Each module has around 500 branches. Apart from these, there are about 120 overseas branches.
- Tamil Nadu falls under Chennai circle. Under Chennai circle, there are 5 modules namely, Chennai, Madurai, Coimbatore, Salem and Trichy. In Trichy module, there are 4 regions. Region 1 consists of Trichy District, Region 2 consists of Thanjavur and Pudukkottai Districts, Region 3 consists of Perambalur and Ariyalur Districts and Region 4 consists of Karur District. In Thiruchirappalli regional office of SBI, area operations are selected.

Data Collection

The civic administration of the city is divided into four zones- Abhishekapuram, Ariyamangalam, Golden Rock and Srirangam.

Table-1: Area of Sampling – Tiruchirappalli Corporation

<table>
<thead>
<tr>
<th>Area</th>
<th>Abishekapuram</th>
<th>Ariyamangalam</th>
<th>Golden rock</th>
<th>Srirangam</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>18</td>
<td>7</td>
<td>43</td>
<td>17</td>
<td>85</td>
</tr>
<tr>
<td>Percentage</td>
<td>20.77</td>
<td>8.15</td>
<td>51.12</td>
<td>19.96</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

LIMITATIONS OF STUDY

Some limitations of the present study were as follows:

- **Sample Size**: Sample Size is limited to 85 respondents only, which may not be representatives of universe. A large sample could not be taken due to limited time.
- **Area of the Study**: The Study is limited only to certain areas (Tiruchirappalli Corporation only)
- **Unwillings and inability of the respondents to provide information**: Especially question regarding the demographical factors. Many persons were unable to answer accurately due to ignorance of facts.
- **Time constraints**: Time available at the disposal was not enough. Therefore, it was not feasible to go in depth and choose wider area.
- **Limitation regarding analysis**: Due to limited resources and time, a deeper statistical analysis of percentage, ANOVA single factor and weighted ANOVA, Weighted average only carried out.

Analysis and Interpretation:

**Socio-Economic profile of the respondents**: An analysis of the personal profile of age, gender, education, occupation, monthly income, area, marital status of the respondents is presented below

Table-2: Socio-Economic profile of the Respondents

<table>
<thead>
<tr>
<th>Age (Years)</th>
<th>18 to 27</th>
<th>28 to 37</th>
<th>38 to 47</th>
<th>48 &amp; above</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>11</td>
<td>23</td>
<td>16</td>
<td>35</td>
<td>85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>63</td>
<td>22</td>
<td>85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>Professional</th>
<th>Post Graduate</th>
<th>Under graduate</th>
<th>School Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>11</td>
<td>27</td>
<td>23</td>
<td>24</td>
<td>85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Government Employee</th>
<th>Private sector Employee</th>
<th>Self employed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>18</td>
<td>15</td>
<td>42</td>
<td>85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly Income</th>
<th>Less than 20,000</th>
<th>21,000-30,000</th>
<th>31,000-40,000</th>
<th>41,000+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>25</td>
<td>15</td>
<td>18</td>
<td>18</td>
<td>85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Area</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>65</td>
<td>20</td>
<td>85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Married</th>
<th>Unmarried</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>52</td>
<td>33</td>
<td>85</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
From the table no.2 found that the 48 & above age group of respondents , the age group of 48 & above scores the highest of 41.17% and the least age group 18-27years records the lowest of 12.9%. 63 respondents (74.11%) were male and 22 respondents (25.89%) were female. It is very clear that the large numbers of respondents 27(31.76%) covered are postgraduate. It is concluded that the majority of the respondents 42(49.42%) of the respondents were self-employed category. The majority of the total respondents 65(76.47%) covered in Urban area. It is concluded that the majority of the respondents52 (61.17%) are married. Therefore, it clearly shows that most of respondents are married.

Objective Number 1: To study the impact of service encounters and service interaction on customer satisfaction.

Statistical Tools used:
- Percentage Analysis and Rank Correlation: Service Encounters
- ANOVA Single Factor and Weighted ANOVA: Customer Relationship Management

<table>
<thead>
<tr>
<th>Types of Encounters</th>
<th>Number of Respondents</th>
<th>% to Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remote</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATM</td>
<td>10</td>
<td>52.63</td>
<td>19</td>
</tr>
<tr>
<td>E-Banking</td>
<td>6</td>
<td>31.59</td>
<td></td>
</tr>
<tr>
<td>Mobile Banking</td>
<td>3</td>
<td>15.78</td>
<td></td>
</tr>
<tr>
<td>Phone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>28</td>
<td>73.68</td>
<td>38</td>
</tr>
<tr>
<td>Cell phone</td>
<td>10</td>
<td>26.32</td>
<td></td>
</tr>
<tr>
<td>Face to Face</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single window operation</td>
<td>15</td>
<td>53.57</td>
<td>28</td>
</tr>
<tr>
<td>Green Channel</td>
<td>13</td>
<td>46.43</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100</td>
<td>85</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Mean Scores of Respondents’ Level of Satisfaction while Interacting with the service encounters

The mean scores for remote encounters are comparatively high for ease of use, 24 hours operation, menu option, efficient processing of transaction and provision of secured service and direction for new users.

The mean scores of face-to-face encounters are comparatively high for ease of use, provision of secured service and direction for new users.

The mean scores for phone encounters is high for immediate and accurate performance of transactions, personalized, secure services, user-friendly system, immediately to the service.

Objective-2: To analyze the influence of waiting time strategy of the bank on customer satisfaction.

Statistical Tools used: ANOVA single factor and Weighted ANOVA - Waiting Time Strategy

<table>
<thead>
<tr>
<th>Rank Strategies</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>Total score</th>
<th>Total</th>
<th>Average</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of waiting Time</td>
<td>30</td>
<td>12</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>31</td>
<td>363</td>
<td>85</td>
<td>4.27</td>
<td>2</td>
</tr>
<tr>
<td>Reason for Waiting Time</td>
<td>16</td>
<td>6</td>
<td>24</td>
<td>11</td>
<td>18</td>
<td>10</td>
<td>317</td>
<td>85</td>
<td>3.72</td>
<td>5</td>
</tr>
<tr>
<td>Urgent Need</td>
<td>29</td>
<td>12</td>
<td>16</td>
<td>2</td>
<td>9</td>
<td>17</td>
<td>345</td>
<td>85</td>
<td>4.05</td>
<td>3</td>
</tr>
<tr>
<td>Shifting Demand</td>
<td>18</td>
<td>6</td>
<td>9</td>
<td>15</td>
<td>24</td>
<td>13</td>
<td>280</td>
<td>85</td>
<td>3.29</td>
<td>6</td>
</tr>
<tr>
<td>Future Service</td>
<td>19</td>
<td>16</td>
<td>22</td>
<td>1</td>
<td>24</td>
<td>3</td>
<td>336</td>
<td>85</td>
<td>3.95</td>
<td>4</td>
</tr>
<tr>
<td>Exclusive Waiting Area</td>
<td>39</td>
<td>8</td>
<td>12</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>377</td>
<td>85</td>
<td>4.43</td>
<td>1</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Hypothesis [Ho]: Occupational pattern and monthly incomes of the respondents do not have significant difference over the waiting time in receiving the service.
Result

- Occupational pattern: Ho is Accepted
- Monthly Income: Ho is Rejected

**Ranking of the respondents regarding waiting time strategies- Weighted ANOVA**

**Impact of occupational pattern and monthly income of the respondents on complaints and shifts**

**Objective Number 3:** To evaluate the impact of service complaints on customer satisfaction

**Statistical Tools used:** ANOVA single factor and Weighted ANOVA-- customer complaints

**Table-5: Role of Customer Relationship - Weighted ANOVA**

<table>
<thead>
<tr>
<th>Rank Strategies</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Total Score</th>
<th>Average</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate elucidation of service charges</td>
<td>23</td>
<td>4</td>
<td>7</td>
<td>12</td>
<td>6</td>
<td>5</td>
<td>28</td>
<td>324</td>
<td>85</td>
<td>3.811</td>
</tr>
<tr>
<td>Educating about the products / services</td>
<td>11</td>
<td>32</td>
<td>9</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>21</td>
<td>376</td>
<td>85</td>
<td>4.423</td>
</tr>
<tr>
<td>Waiting period in the line</td>
<td>26</td>
<td>18</td>
<td>17</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td>2</td>
<td>436</td>
<td>85</td>
<td>5.129</td>
</tr>
<tr>
<td>Interest on loans / savings</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>26</td>
<td>12</td>
<td>3</td>
<td>20</td>
<td>312</td>
<td>85</td>
<td>3.670</td>
</tr>
<tr>
<td>Attitude of banks towards customers</td>
<td>36</td>
<td>7</td>
<td>12</td>
<td>12</td>
<td>3</td>
<td>4</td>
<td>11</td>
<td>430</td>
<td>85</td>
<td>5.058</td>
</tr>
<tr>
<td>Availability of the staff at the respective counters</td>
<td>17</td>
<td>15</td>
<td>6</td>
<td>16</td>
<td>18</td>
<td>13</td>
<td>-</td>
<td>264</td>
<td>85</td>
<td>3.105</td>
</tr>
<tr>
<td>Quickly rectifying transaction errors</td>
<td>9</td>
<td>18</td>
<td>12</td>
<td>16</td>
<td>21</td>
<td>6</td>
<td>3</td>
<td>373</td>
<td>85</td>
<td>4.388</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Hypothesis [Ho]: Occupational pattern and monthly incomes of the respondents do not have significant difference over the complaints and shifts

Result

- Occupational pattern: Ho is Accepted
- Monthly Income: Ho is Rejected

**SUGGESTIONS**

- Technology upgradation and continuous review of systems and procedures in tune with changing needs of customers to support effective and efficient services should be made
- Customers’ grievances should be redressed speedily and customers’ satisfaction should always be on the top priority.
- Staff should be right sized (instead of down sized) to deal with customers effectively, efficiently and appropriately.
- The working hours of banks may be extended depending upon the need.
- Every branch of a bank should provide sufficient and proper vehicle parking, sitting arrangement, water and sanitary facilities etc. Posters of existing schemes should also be displayed in the appropriate places.
- Customer should be made aware of not only the various schemes and services offered by banks, but also about the formalities, procedures, legal requirements and limitations in the matter of providing services by the banks, through a proper mix of advertisements, literature, interface and seminars.

**CONCLUSION**

“There is only one boss-the customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else”

**Sam Walton, the founder of Wal-Mart**

Attraction, retention and enhancement of the customer relationships are essential to maintain a base of delighted and committed customers who form the basis for the sustainable competitive position of the bank. Until date, three-fourth of the customers uses personal encounters than remote encounters. The State Bank of India must try to instruct their employees to provide the service encounters to retain and attract the delighted customers.

Though the customers are dissatisfied with the service encounters of the bank, they express the reason for the dissatisfaction as the large size of the bank and expanded base of the customers. The respondents are satisfied with the quality of service provided by
the bank, though there exists a very small degree of gap in service quality dimensions and they have a very small degree of intention to shift their business.

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A STUDY ON EFFECTIVENESS OF EMPLOYEES TRAINING IN SOFTWARE COMPANY ‘S.B.G.C.’

Dr. S. Thanigaimani

ABSTRACT

Training is a learning procedure that involves the acquirement of knowledge, sharpening of skills, concepts, rules, or changing of attitudes and behaviors to enhance the performance of employees. It also refers to the acquisition of knowledge, skills, and competencies because of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. In an organization, training process may be carried out inside or outside the organization. It depends up on the nature of training process. The main motive of an effective training process is to expect some benefits to the organization. Some of the expected benefits from a training program are higher productivity, better quality of work, cost reduction, reduction supervision. In over all a training program is carried out to maximize an organization business process and profit. Therefore, it is important to measure the effectiveness of training process carried out by the organization, the main objective of this study is to evaluate the training effectiveness at software industry. In order to achieve the objectives the suitable questionnaires are designed and then by adopting proper statistical tools the collected data’s are interpreted to achieve the study result.

KEYWORDS

Training, Development, Skills, Behavioral Pattern, Quality of Work etc.

INTRODUCTION

It is concerned with the structure and delivery of acquisition of knowledge to improve the efficiency and effectiveness of organization. It is concerned with improving the existing skills and exploring the potential skills of the individual i.e. upgrading the employees’ skills and extending their knowledge. Therefore, training is a key to optimizing utilization human intellectual technological and entrepreneurial skills. Training and Development referred to as the acquisition, sharpening of employees capabilities that are required to perform various obligations, tasks, and functions. Developing the employee’s capabilities so that they may be able to discover their potential and exploit them to full their own and organizational development purpose. Developing an organizational culture where superior-subordinate relationship, teamwork, and collaboration among different sub units are strong and contribute to organizational wealth, dynamism and pride to the employees.

SCOPE OF STUDY

The main scope of the study is to attain the research objectives of the study. This study will only analyze the effectiveness of training and development program of SBGC a software company. This study will be analyzed from employee point of view. The training and development is a key tool for enhancing job-related performance and organizational effectiveness, its value is being increasingly acknowledged in engendering behavioral changes and in developing life skills leading to personal growth. It equips an individual with competencies that help him/her cope with day-to-day problems of living & manage interpersonal relations and improving them. In this study, the employee satisfactions about the training programmes are mainly considered. The effective training programmes develop their employee’s knowledge towards their work progress.

This study also helps the company to known about their current effectiveness of training programmes. It will be helpful to them to develop further in future.

OBJECTIVES OF STUDY

- To examine the effectiveness of training in overall development of skills of workforce.
- To examine the impact of training on the workers.
- To study the changes in behavioral pattern due to training.
- To measure the differential change in output due to training.
- To compare the cost effectiveness in implanting training programmes.

18Assistant Professor, PG & Research Department of Commerce, Srimad Andavan College of Arts & Science (Autonomous), Tamil Nadu, India, poovaistm@gmail.com
RESEARCH METHODOLOGY

Research methodology explains the various steps that are generally adopted by the research in studying research problem along with logic behind them.

Area of Research: The area of research is conducted in Seabirds Group & Co.; it is a research and development company. Research is about to be training of the employee’s in Seabirds Group & Co., with the sample size of 90.

Research Design: Descriptive research design is used in this study. Descriptive research is also called Statistical Research. The main goal of this type of research is to describe the data and characteristics about what is being studied.

Sampling Design: Sampling technique: The sampling technique used for selecting sample elements in Convenience sampling.

Sample Size: the sample size of 90 Employee’s. Sample Unit: Seabirds Group & Co., Employees.

Data Collection: The collection of date is considered to be one of the important aspects in research methodology. There are two types of data that exists one is primary data and the other is secondary data. Primary Data: Structured Questionnaire Information’s were collected from the respondent through questionnaires by direct contact. Secondary Data Secondary data was collected from the various records, manuals of the company, from newspaper and Online Database, Journals.

Statistical Tools Used

Simple Percentage Analysis: Percentage = (Number of respondents / Total number of respondents) * 100

LIMITATION OF STUDY

- This study will be conducted only in Seabirds Group & Co., in Chennai city. The local factors such as training facilities in Chennai and quality of the trainers play a big role in the determining employee’s perception of the training programmes.
- Due to time limitations, the sample size is limited to 90.
- Not all the respondents are answer to all the questions properly.
- This study is conducted only in software sector. It may not be indicative of the overall perception of the training programmes.
- Given that the study was conducted over a short period, it is impossible to surface all the aspects of training programmes.

REVIEW OF LITERATURE

Gupta A.P (1999) has studied Visakhapatnam Steel Plant of Rentiya Ispat Nigam Ltd. (RINL) is the first shore based integrated steel plant of the country commissioned in the early nineties. This plant has adopted many innovative management practices, and has earned a place of distinction in the Indian steel Industry. To accelerate the learning curve, various strategies were adopted for Training, which include basic skills and advanced skill development; utilization of the services of foreign experts; Unit Training; and Training overseas. The top management’s involvement is through apex level committee on human resource development and Training advisory committee. The annual Training plan is prepared based on survey, and nominations are obtained in the beginning of the year. A three-tier evaluation system for the technical Training has been adopted as RINL.

Stage I, focuses on reaction level- through feedback at the end of the program.

Stage II, centres on the learning level –through examinations. In some programs, a learning Index is found out by comparing pre-test application level on the job implementation aspects are evaluated after one or two months of Training.

Binna Kandaola (2000) has discussed some of the difficulties associated with accurate and useful evaluation of training effectiveness, particularly in the development of soft skills, which include skills related to people management. The author highlights some existing training evaluation techniques and then the outlines a model of training evolution currently being developed in the United Kingdom. The model is based on the principle that the evaluation of Training needs to start before Training commences and continue beyond the training event. The model covers various areas of Training needs analysis, climate for Training, Gathering and organizing training providers information, evaluating using knowledge tests, evaluating the trainer, including the training experience itself, and evaluating behaviour changes.
ANALYSIS AND INTERPRETATIONS

Table-1: Awareness of the Training Programme in Organisation

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>24</td>
<td>26.67</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree Nor Disagree</td>
<td>15</td>
<td>16.67</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>21</td>
<td>23.33</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Disagree</td>
<td>3</td>
<td>3.33</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 27% of the respondents are strongly agree, 30% of the respondents are agree, 17% of the respondents are neither agree nor disagree, 23% of the respondents are disagree and 3% of the respondents are strongly disagree.

Table-2: Attended Any Training Programmes So Far

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>63</td>
<td>70</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 70% of the respondents are said yes and 30% of the respondents are said no.

Table-3: The Nature of Training Programme

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mostly related to my work</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>General</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Not related to my work</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 40% of the respondents are said mostly related to my work, and 30% of the respondents said general and not related to my work.

Table-4: Undertaking Training Programmes in the Future

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>72</td>
<td>80</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 80% of the respondents are said yes and 20% of the respondents are said ‘No’.

Table-5: Overall Quality Rate of the Training Programme

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poor</td>
<td>23</td>
<td>25.56</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>41</td>
<td>45.56</td>
</tr>
<tr>
<td>3</td>
<td>Excellent</td>
<td>26</td>
<td>28.88</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 25% of the respondents are said poor, 46% of the respondents are said good and 29% of the respondents are said excellent.
Table-6: New Technical Skills Improved After the Training Programme

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>22</td>
<td>24.44</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>30</td>
<td>33.33</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree Nor Disagree</td>
<td>33</td>
<td>36.67</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>4</td>
<td>4.44</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Disagree</td>
<td>1</td>
<td>1.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 25% of the respondents are strongly agree, 33% of the respondents are agree, 37% of the respondents are neither agree nor disagree, 4% of the respondents are disagree and 1% of the respondents are strongly disagree.

Table-7: Leadership Skills Developed in the Training Programme

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>21</td>
<td>23.33</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree nor Disagree</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>4</td>
<td>4.44</td>
</tr>
<tr>
<td>5</td>
<td>Strongly disagree</td>
<td>2</td>
<td>2.22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 23% of the respondents are strongly agree, 30% of the respondents are agree, 40% of the respondents are neither agree nor disagree, 5% of the respondents are disagree and 2% of the respondents are strongly disagree.

Table-8: Development of Soft Skills in the Training Programme

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>22</td>
<td>24.44</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>25</td>
<td>27.78</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree Nor Disagree</td>
<td>32</td>
<td>35.56</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>7</td>
<td>7.78</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Disagree</td>
<td>4</td>
<td>4.44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 24% of the respondents are strongly agree, 28% of the respondents are agree, 36% of the respondents are neither agree nor disagree, 8% of the respondents are disagree and 4% of the respondents are strongly disagree.

Table-9: Improvement of Job Performance

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree nor Disagree</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Strongly disagree</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 20% of the respondents are strongly agree, 40% of the respondents are agree, 30% of the respondents are neither agree nor disagree, 10% of the respondents are disagree and none of the respondents are strongly disagree.
Table-10: Development of Customer Service Skills

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>17</td>
<td>18.88</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>33</td>
<td>36.66</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree Nor Disagree</td>
<td>38</td>
<td>42.22</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>2</td>
<td>2.22</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Disagree</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 19% of the respondents are strongly agree, 37% of the respondents are agree, 42% of the respondents are neither agree nor disagree, 2% of the respondents are disagree and none of the respondents are strongly disagree.

Table-11: Chances of Getting Promotion

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>21</td>
<td>23.33</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree Nor Disagree</td>
<td>30</td>
<td>33.34</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Disagree</td>
<td>3</td>
<td>3.33</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 10% of the respondents are strongly agree, 23% of the respondents are agree, 34% of the respondents are neither agree nor disagree, 30% of the respondents are disagree and 3% of the respondents are strongly disagree.

Table-12: Topics Covered in the Program Relevant to Work

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>66</td>
<td>73.33</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>24</td>
<td>26.67</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 73% of the respondents are said yes and 27% of the respondents are said ‘No’.

Table-13: All the Topics Are Covered in the Training Programme

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>12</td>
<td>13.33</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>24</td>
<td>26.67</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree Nor Disagree</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>21</td>
<td>23.33</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Disagree</td>
<td>6</td>
<td>6.67</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 13% of the respondents are strongly agree, 27% of the respondents are agree, 30% of the respondents are neither agree nor disagree, 23% of the respondents are disagree and 7% of the respondents are strongly disagree.

Table-14: In the Amount of Time Spent all Topics are covered

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>24</td>
<td>26.67</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>29</td>
<td>32.22</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree Nor Disagree</td>
<td>18</td>
<td>20</td>
</tr>
</tbody>
</table>
From the above table 27% of the respondents are strongly agree, 32% of the respondents are agree, 20% of the respondents are neither agree nor disagree, 11% of the respondents are disagree and 10% of the respondents are strongly disagree.

Table 15: The Topics Covered Easy the Understand

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>25</td>
<td>27.78</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>32</td>
<td>35.56</td>
</tr>
<tr>
<td>3</td>
<td>Neither Agree Nor Disagree</td>
<td>30</td>
<td>33.33</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>3</td>
<td>3.33</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Disagree</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 28% of the respondents are strongly agree, 36% of the respondents are agree, 33% of the respondents are neither agree nor disagree, 3% of the respondents are disagree and none of the respondents are strongly disagree.

Table 16: Overall Rate of the Quality of Topics Covered

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poor</td>
<td>12</td>
<td>13.33</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>42</td>
<td>46.67</td>
</tr>
<tr>
<td>3</td>
<td>Excellent</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 13% of the respondents are said poor, 47% of the respondents are said good and 40% of the respondents are said excellent.

Table 17: Satisfaction of the Organization’s Training Programmes

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly Satisfied</td>
<td>15</td>
<td>16.67</td>
</tr>
<tr>
<td>2</td>
<td>Satisfied</td>
<td>39</td>
<td>43.33</td>
</tr>
<tr>
<td>3</td>
<td>Neither Satisfied nor Unsatisfied</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Unsatisfied</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Highly Unsatisfied</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table 17% of the respondents are highly satisfied, 43% of the respondents are satisfied, 30% of the respondents are neither satisfied nor unsatisfied, 10% of the respondents are unsatisfied and none of the respondents are highly unsatisfied.

Table 18: Suggestions to Improvements the Training Programmes

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No Improvements Needed</td>
<td>12</td>
<td>13.33</td>
</tr>
<tr>
<td>2</td>
<td>Make the content more relevant and interesting</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>3</td>
<td>Shorten the training programme</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Lengthen the training Programme</td>
<td>15</td>
<td>16.67</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data
From the above table 13% of the respondents are no improvements needed, 40% of the respondents are make the content more relevant and interesting, 30% of the respondents are shorten the training programme and 17% of the respondents are lengthen the training programme.

**FINDINGS**

- Respondent's age responds, 41% of the respondents are age range 18-25, 40% of the respondents are age range 25-30 and 19% of the respondents are age range 30-35.
- 60% of the respondents Male and 40% of the respondents Female.
- Qualification of the respondents, 47% of the respondents are done B.E/B.Tech, 20% of the respondents are done M.E/M.Tech, 23% of the respondents are done M.C.A and 10% of the respondent are studied others.
- Aware of the training programme conducted in the organization, 27% of the respondents are strongly agree, 30% of the respondents are agree, 17% of the respondents are neither agree nor disagree, 23% of the respondents are disagree and 3% of the respondents are strongly disagree.
- 70% of the respondents are said yes that they attended some other training programmes and 30% of the respondents are said no.
- Feel about the nature of training programme, 40% of the respondents are said mostly related to my work, and 30% of the respondents said general and not related to my work.
- 80% of the respondents are having wished to undertake training programmes in the future and 20% of the respondents are having no idea.
- Rate the overall quality of the training programmes, 25% of the respondents are said poor quality, 46% of the respondents are said good quality and 29% of the respondents are said excellent.
- Impact of training programme on trainees, 25% of the respondents are strongly agree that the training programme helped them to pick up new technical skills, 33% of the respondents are agree that the training programme helped them to pick up new technical skills, 37% of the respondents are neither agree nor disagree with that point, 4% of the respondents are disagree and 1% of the respondents are strongly disagree.
- Training programme helped them to develop leadership skills, 23% of the respondents are strongly agree, 30% of the respondents are agree, 40% of the respondents are neither agree nor disagree, 5% of the respondents are disagree and 2% of the respondents are strongly disagree.
- The training programme helped you to develop soft skills like communications skills, team work skills etc., 24% of the respondents are strongly agree, 28% of the respondents are agree, 36% of the respondents are neither agree nor disagree, 8% of the respondents are disagree and 4% of the respondents are strongly disagree.
- Performance has been increased after attending the training programme, 20% of the respondents are strongly agree, 40% of the respondents are agree, 30% of the respondents are neither agree nor disagree, 10% of the respondents are disagree and none of the respondents are strongly disagree.
- Develop customer service skills, 19% of the respondents are strongly agree, 37% of the respondents are agree, 42% of the respondents are neither agree nor disagree, 2% of the respondents are disagree and none of the respondents are strongly disagree.
- Chances of getting promoted, 10% of the respondents are strongly agree, 23% of the respondents are agree, 34% of the respondents are neither agree nor disagree, 30% of the respondents are disagree and 3% of the respondents are strongly disagree.
- 73% of the respondents are said yes that topics covered in the program relevant, interesting and pertinent to their work and 27% of the respondents are said no.
SUGGESTIONS

- Individual attention may be provided to the trainees in order to encourage their participation and make them perform better at their job.

- Employee’s feedback should be regularly obtained in order to understand the effectiveness of the training programme. In this study, some of the employees are not satisfied with the training programme. It is important to understand why these employees are not satisfied with the training programme and what can be done to satisfy these employees.

- Training programme should also focus on improving the customer servicing skills of the employees. In this study, some of the people did not feel that their customer servicing skills have improved after attending the training programme. In today’s service oriented society, it is important for employees to have a strong customer servicing skills.

CONCLUSION

Training programme’s main objective is to improve the productivity of the company’s employees, which in turn will improve the company’s profitability. Through training programmes, the employees’ skill levels are upgraded which will make the employees more productive. Training programme is also set up to help employees get used with new roles and responsibilities usually after promotion. When an employee is promoted from one level to next level, the skills required to do his/her job changes and training programmes are essential in equipping the employee with the new skills. Training programme is also a way for the company to showcase to its employees that it cares for employees’ self-development. This plays a big role in increasing the loyalty that an employee feels towards its organization Employees’ feedback on the training programme is essential to understand the effectiveness of training programme. Most times, employees had better understand the kind of training programme that would help them. It is important to get employees’ opinion before the creation of new training programmes.

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EFFECTIVENESS OF LABOUR WELFARE MEASURES AT TAMIL NADU CEMENTS CORPORATION LIMITED (TANCEM) RAJAPALAYAM AT VIRUDHUNAGAR DISTRICT

Dr. B. Bharathi\(^{19}\) R. Buvaneswari\(^{20}\)

ABSTRACT

The study was conducted in order to find out the welfare measures provided to the employees by the Tamil Nadu Cements Corporation Limited, Rajapalayam, Virudhunagar (dt), (TANCEM). The study reveals the various labour welfare measures and the levels of satisfaction and dissatisfaction of the employees with respect to the measures provided by the company. This report would stand as one of the powerful input for the company to find out whether the welfare measures has reached employees and their opinion about it i.e., especially at operational level. So, that the company can take necessary step in order to satisfy their workers and which in turn increase the productivity, earn profit and achieve their objectives. The industrial worker is indeed a soldier safeguarding the social and economic factors of the economy. Therefore, there is a need to take care of the workers, to provide both statutory and non-statutory facilities to them, which have direct influence on the social development of the organization as well as the organization.

Every organization provides the statutory welfare measures but some organization provides some more welfare facilities to the employees so that they may retain the employees and their quality of work life.

INTRODUCTION

The industrial worker is indeed a soldier safeguarding the social and economic factors of the economy. Therefore, there is a need to take care of the workers, to provide both statutory and non-statutory facilities to them, which has direct influence on the social development of the organization as well as the organization. They provide better physical and mental health to workers and promote a healthy work environment. Facilities like housing schemes, medical benefit, and education and recreation facilities for worker’s families help in raising their standard of living, this makes workers to pay more attention towards work and thus increase their productivity.

Employers get stable labour force by providing welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and participation. Employee welfare measures increase the production of organization and promote healthy industrial relation thereby maintaining industrial peace.

The social evils prevalent among the labour such as substance abuse are reduced largely by the welfare policies. Labour welfare includes various facilities, service and amenities provided to workers for improving their health, efficiency, economic betterment and social status.

Welfare measures are in addition to regular wages and other economic benefits. Labour welfare schemes are flexible and ever changing. New welfare measures are added to the existing ones from time to time.

THE CONCEPT OF LABOUR WELFARE

Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. Welfare helps in keeping the morale and motivation of the employees high to retain the employees for longer duration. The welfare measures need not be in monetary terms only but non-monetary. Employee welfare includes monitoring of working condition, creation of industrial harmony through infrastructure for the workers and their families. Labour welfare entails all those activities of employer, which are directed towards providing the employees with certain facilities and services in addition to wages or salaries.

STATUTORY WELFARE

After independence the government of India passed several acts, e.g., the factories act, the employees state insurance Act, the payment of wages Act, and the industrial dispute Act, to ensure the welfare of employees in various aspects of their jobs.

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\(^{20}\)Assistant Professor, Department of Commerce, Srimad Andavan Arts and Science College (Autonomous), Tamil Nadu, India, bhuvana196605@gmail.com
• **Drinking Water**: At all the working places safe hygienic drinking water should be provided.
• **Facilities for sitting**: In every organization, especially factories, suitable seating arrangements are to be provided.
• **First aid appliances**: First aid appliances are to be provided and should be readily assessable so that in case of any minor accident initial medication can be provided to the needed employee.
• **Latrine & Urinals**: Sufficient number of latrines and urinals are to be provided in the office and factory premises and to be maintained in a neat and clean condition.
• **Canteen facilities**: Cafeteria or canteens are to be provided by the employers to provide hygienic and nutritious food to the employees.
• **Lighting**: Proper and sufficient lights are to be provided for employees so that they can work safety during the night shifts.
• **Washing places**: Adequate washing places such as bathrooms, washbasins with tap and tap on the standpipe are provided in the port area near the work place.
• **Rest room**: Adequate numbers of rest room are provided to the workers with provisions of water supply, washbasins, toilets, bathrooms, etc.

**NON-STATUTORY WELFARE**

• **Personal Health care**: Some of the companies provide the facility for extensive health check-up.
• **Flexi-time**: The main objective of the flextime policy is to provide opportunity to employees to work with flexible working schedules. Flexible working schedules are initiated by employees and approved by management to meet business commitments while supporting employee personal life needs.
• **Employee assistance programs**: Various assistant programs are arranged like external counseling service so that employees or members of their immediate family can get counseling on various matters.
• **Harassment policy**: To protect the employees from harassment of any kind, guidelines are provided for proper action and also for protecting the aggrieved employee.
• **Maternity & Adoption leave**: Employees can avail maternity or adoption leaves. Various companies have also introduced maternity leave policies.
• **Medi-claim Insurance scheme**: This insurance scheme provides adequate insurance coverage of employees for expenses for expense related to hospitalization due to illness, disease or injury or pregnancy.
• **Employee Referral Scheme**: In several companies, employee referral scheme is implemented to encourage employees to refer friends and relatives for employment in the organization.
• **Education**: Some institutes have provided adult education and technical training through labor centers. Some organizations provide part time facilities for higher education and research and training programmers.
• **Transport**: Providing transport facilities to employees to far off place are essential to reduce stress.

**OBJECTIVES OF STUDY**

• To study the welfare measures offered by the organization.
• To study the organization relationship with their superiors.
• To study about the motivation of the employees in the organisation.
• To find out the problems of employees and to give suggestions.

**REVIEW OF LITERATURE**

**Ruth Lister (2012)**: This article discusses developments in new labours thinking on the welfare state. It argues that there has been something of a paradigm shift from a concern with equality to a focus on social inclusion and equality of opportunity, together with an emphasis on social obligations rather than social rights. It speculates briefly about the likely direction of social security reforms.

**Alessio J. G. Brown and Christian Merkl and Dennis J. Snower (2011)**: This paper examine the implications of different types of employment subsidies for employment, welfare, and inequality. It investigates how these effects depend on what target groups the subsidies address. Our analysis focuses on policies that are “approximately welfare efficient” (AWE)), i.e. policies that (a) improve employment and welfare, (b) do not raise earnings inequality and (c) are self-financing. We construct a micro founded, dynamic model of hiring and separations and calibrate it with German data. The calibration shows that hiring vouchers targeted at the long-term unemployed are more effective than those targeted at low-ability workers are.

**Kuldeep Singh (2010)**: This study tests the relationship between strategic HR orientation and form performance. The study has been conducted to add to the growing empirical evidence in this field. The study has been carried out in the Indian setting, where
the importance of human resources has gained currency in the last decade. Results show that there is a significant relationship between strategic HR orientation and firm performance.

Sabarirajan, A.; Meharajan, T.; Arun, B. (2010): The cotton textile plays a vital role in human life. Textile industries are one of the important industries of India for earning foreign exchange and giving employment to lakhs of workers. Because of being a highly labour intensive industry, it needs to concentrate more in the area of employee welfare. In this study, we selected Salem district in Tamil Nadu, India for identifying various methods and to identify the effectiveness of the methods. The study shows that 15% of the employees are highly satisfied with their welfare measures. 22% of the employees are satisfied with their welfare measure. 39% of the employees are average with their welfare measures. 16% of them are in highly dissatisfied level welfare measures plays important role in employee satisfaction and it result in improve quality of work life study throws light on the impact of welfare measures on QWL among the employees of textile mills in Salem district.

John Creedy and Guyonne Kalb (2005): This paper examines the computation of welfare measure for use with labour supply models. The standard method of computing compensating and equivalent variations does not allow sufficiently for the nonlinearity of the budget constraint in such models. An alternative method is suggested and applied to context in which individuals are allowed to vary their hours continuously and to contexts where only a limited number of discrete hours of work are available. Discrete hour’s models have in recent years been used of the substantial econometric advantages when estimating the parameters of direct utility functions. This type of model is particularly popular in behavioural micro simulation modeling where predicted labour supply responses are calculated for policy changes.

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- To be a brand leader in World Class cement.
- To Implement Technically advanced and highly integrated ERP Solution.
- To achieve financial stability by minimizing cost of production.
- To achieve enhanced productivity to offer cement at affordable price.

Table-1: Latrine & Urinal Facilities Provided by the Company

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondent</th>
<th>% of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly Dissatisfied</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Dissatisfied</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Satisfied</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>4</td>
<td>Highly Satisfied</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table it is clear that majority 70% of the employees were satisfied with latrine and urinal facilities provided 19% were highly satisfied, 7% were dissatisfied and 4% were highly dissatisfied with latrine and urinal facilities provided by the company.

Table-2: Food in Canteen with Affordable Rate &Quality

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondent</th>
<th>% of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly Dissatisfied</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Dissatisfied</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Satisfied</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>4</td>
<td>Highly Satisfied</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table it is clear that majority 64% of the employees were satisfied with the food in canteen with affordable rate and quality 31% were highly satisfied, 1% were dissatisfied and 4% were highly dissatisfied with the food in canteen with affordable rate and quality by the company.
Table-3: Ventilation & Lighting Facilities With In Industrial Location

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondent</th>
<th>% of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly Dissatisfied</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Dissatisfied</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Satisfied</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>4</td>
<td>Highly Satisfied</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table it is clear that majority 78% of the employees were satisfied with ventilation and lighting facilities with in industrial location 17% were highly satisfied, 1% were dissatisfied and 4% were highly dissatisfied with ventilation and lighting facilities with in industrial location by the company.

Table-4: Bonus, Incentives & Allowances

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondent</th>
<th>% of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly Dissatisfied</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Dissatisfied</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Satisfied</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>4</td>
<td>Highly Satisfied</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table it is clear that majority 70% of the employees were satisfied with the bonus, incentives and allowances 17% were highly satisfied, 6% were dissatisfied and 7% were highly dissatisfied with the bonus, incentives and allowances offered by the company.

Table-5: On Duty, Permission and Other Benefits

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Number of Respondent</th>
<th>% of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly Dissatisfied</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Dissatisfied</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>Satisfied</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>4</td>
<td>Highly Satisfied</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

From the above table it is clear that majority 71% of the employees were satisfied with the on duty, permission and other benefits 10% were highly satisfied, 8% were dissatisfied and 11% were highly dissatisfied with the on duty, permission and other benefits by the company.

FINDINGS

- 95% Most of the employees are satisfied with the welfare measures.
- 70% The Company has been successfully providing cleaning the water tank regularly.
- 82% Most of the employees are satisfied with the latrine & urinal facilities provided in the company.
- 64% Most of the employees are satisfied with the food in canteen with affordable rate & quality.
- 78% Most of the respondents are satisfied with the ventilation & lighting facilities with in industrial location.
- 85% The Company has been successfully providing insurance schemes.
- 70% Most of the respondents are satisfied with bonus, incentives & allowances provided in the company.
- 72% Most of the respondents are satisfied with transport facilities provided in the company.
- 71% Most of the employees are satisfied with the on duty, permission and other benefits provided in the company.
- 66% Most of the respondents are satisfied with the recreation facilities & weekly holidays provided in the company.

SUGGESTIONS

- The canteen facility has to be improved.
- More safety provisions should be given to the employees.
• The company may concentrate on the provision for retirement pension plan given to the employees.
• Improvement or modifications are required in the field of recreation facility: leave fair, safety equipment, overtime payments, compensatory arrangements on medical grounds, promotion, children and spouse etc.,
• Modification shall be initiated in the field of grievances handling, rest room facilities, uniform and footwear, service awards and other motivation.

CONCLUSION

Majority of employees are satisfied with welfare measures. The company should take necessary steps to solve the problems of employees, so that the employees can do his job more effectively. The company can concentrate on the other non-statutory measures to boost the employee morale. Every organization provides the statutory welfare measures but some organization provides some more welfare facilities to the employees so that they may retain the employees and their quality of work life. By the result of improved quality of work life among the employees and their involvement in job is increased and results in increased productivity of the organization.

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CONSUMER PREFERENCE TOWARDS FOUR-WHEELERS IN TIRUCHIRAPPALLI CITY: AN ANALYTICAL EXPERIMENT

Dr. G. Karthik

INTRODUCTION

Man moved from place to place for so many reasons like business, tour, education etc. At first, he moved by walk and covered long distance. In due course, he introduced animals and thus formed bullock cart and travelled with this background he was able to move with the introduction of vehicles dragged with his legs. Later on this developed further into a form of a bicycle later two wheeler. Today, the automobile four-wheelers have taken the place of two-wheeler; one finds it more convenient with four wheelers to travel more than a bicycle or a two wheeler. Scientific advancement has made him to drive the four-wheelers to meet the essential requirements. This research is mainly based on consumer preference for different brands of four-wheelers.

REVIEW OF LITERATURE

Consumer preference is an abstract term and it is necessarily formed through more than one component. This study endeavors to put together the antecedents and components of brand preference and tries to create a comprehensive framework for the measurement of the brand preference in the Indian automobile context.

Ravichandran K., and Narayanarajan S. (2014) studied factors determining the brand preference of consumer durables. They concluded that the study with brand preference of consumer durables is largely influenced by a number of factors such as advertisement, price, quality, performance, availability of spares, and after-sales service. Moreover, these factors play a vital role in the decision-making process and in the brand preference.

Deb (2014) says Indian customers now also have access to various channels of information about automotive technology through TV channels, internet, personal travel overseas, and automotive magazines.

White (2014) discussed the factors that affect car-buyers' choices and comments that people expect to haggle with dealers over price and to receive substantial rebates or incentives as well as low-interest payment plans. He pointed out that with an increase in multi-car households, car dealers and advertisers needed to target the right audience, taking into account the pester power of children and the importance of life stage. Despite the fact that women are the primary buyers of most new cars, he admits that the motor trade has traditionally been contemptuous of women's role in the car-buying process.

Mohanty and Bhasker (2015) have proposed a different methodology to the consumers based on the decision support tool for the internet shopping. This tool generally comprises of multiple number of attributes of the products, which are generally conflicting, ambiguous and non-commensurable in nature. They have mentioned in the following example, the data such as mileage, comfort, maintenance cost, resale value and cost seems to be imprecise in nature. Here fuzzy logic has been used to solve the complex issue.

STATEMENT OF PROBLEM

Though there are many studies on the marketing of four-wheelers both Indian and aboard, which have concentrated on styling, comfort, performance, trade mark, loyal and non-loyal, brand, consumer choice, global and Indian car market, alternative fuel vehicle, price, distributors reputation and income, by the foreign authors. Thus the researcher in his present study has taken cost, colour, mileage, comfort, resale value, brand image, safety features, non-pollutant aspects, service support, easy to handle elements and technology advancement as points of preference factors out of which: colour, resale value, safety features, non-pollutant aspects, easily to handle elements are untouched so far in the same line. Thus, the researcher gap is filled in by the research of this study.

SCOPE FOR FURTHER STUDY

The study covers the consumer preference only of passenger car users in Tiruchirappalli City. The scope of the study is limited to certain important preference aspects like information search and evaluation, brand preference and brand loyalty, factors of motivation. Understanding the customer’s preference and satisfaction of the product will help the automobile manufacturers in developing their products to meet consumers’ needs and designing the proper marketing programs and strategy. The research is

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conducted for study towards four-wheeler with respect to cost, mileage, comfort, colors, resale value, brand image, safety features, non-pollutant aspects, service support, easy to handle elements and technology advancements.

Production volumes in automobile companies have grown by around 2% per year over the last 20 years; however, its relative importance in terms of market value compared to other industry sectors has decreased significantly. Today the automobile industry represents less than 2% of the total European market capitalization, while 20 years ago the sector was almost double in relative size.

Because of tough competition, product cycles have become shorter which creates a crowded market place with newer and fresher products. This also means that 1) the competitive advantage period of a model, or technology, decreases, and 2) research & development costs have to be covered more quickly.

OBJECTIVES OF STUDY

- To know the present level of consumer preference in relation with car they possess.
- To study the relationship between the different dimensions of consumer four-wheeler preference.
- To offer a suitable suggestions to improve the consumer satisfaction and preferences of four-wheelers.

RESEARCH METHODOLOGY

Sample Area: The data has been collected from Tiruchirappalli city as it has a high residential density with people from all over Tamil Nadu due to the high migration influx in recent years. The population is quite heterogeneous, with various dimensions such as religion, caste, customs, traditions, social hierarchy, language, literacy, occupation, income and so on.

Sampling Technique: Sampling technique is the choice of a subset of people from among a huge population to estimate characteristics of the entire population. The simple random technique has been chosen for this study.

Simple Random Sampling: Simple random sampling method, assumes that each unit in the population has equal chance of occurrence or equal probability of occurrence and the sampling units are selected randomly. An unbiased random selection of individuals is important to represent the population.

Collection of Data: Both primary and secondary data have been collected for the research work.

Tools used for interpretation: The following statistical tools were used to analyze the data. Descriptive statistical tools such as percentage, Mean, Median and Standard deviation have been used to describe the profile of consumers, preferred attributes and level of satisfaction. Both ANOVA, Z-Test have been used to test the influence of demographic factors in consumer preference towards four-wheelers.

DISTRIBUTION OF THE RESPONDENTS BASED ON SOCIO DEMOGRAPHIC PROFILE

| Table-1 |
|-------------------|-------------------|
| **S. No.** | **Socio Demographic Profile** | **Number of Respondents (n:629)** | **Percentage** |
| 1. | Gender | | |
| | Male | 454 | 72.2 |
| | Female | 175 | 27.8 |
| 2. | Age | | |
| | Below 20 years | 11 | 1.7 |
| | 20 - 40 years | 277 | 44.0 |
| | 41 - 60 years | 240 | 38.2 |
| | Above 60 years | 101 | 16.1 |
| 3. | Marital Status | | |
| | Married | 547 | 87.0 |
| | Unmarried | 82 | 13.0 |
| 4. | Educational Qualification | | |
| | School level | 63 | 10.0 |
| | Under Graduate | 123 | 19.6 |
| | Post Graduate | 135 | 21.5 |
| | Professional | 161 | 25.6 |
Interpretation: It is clearly understood from the above table that nearly three-fourth (i.e.) 72.2 per cent of the respondents were male and remaining 27.8 per cent of the respondents were female.

It is found from the above table that nearly half (i.e.) 44.0 per cent of the respondents were in the age group of 20-40 years, 38.2 per cent of the respondents were in the age group of 41-60 years, 16.1 per cent of the respondents were above 60 years old and 1.7 per cent of the respondents were less than 20 years old.

It is inferred from the above table that high majority (i.e.) 87.0 per cent of the respondents were married and 13.0 per cent of the respondents were unmarried.

It is known from the above table that a considerable few (i.e.) 25.6 per cent of the respondents were professional, 23.4 per cent of the respondents were technically qualified, 21.5 per cent of the respondents were Post Graduates, 19.6 per cent of the respondents were Under Graduates and 10.0 per cent of the respondents were School level.

It is inferred from the above table that nearly half (i.e.) 25.6 per cent of the respondents were doing business. 22.4 per cent of the respondents were professionals, 20.7 per cent of the respondents were private employees and 19.7 per cent of the respondents were Government employees.

It is found from the above table that one-third (i.e.) 34.7 per cent of the respondents had monthly income of Rs.10000 – Rs.20000, 29.1 per cent of the respondents had monthly income of Rs.20001 – Rs.30000, 26.4 per cent of the respondents had monthly income of more than Rs.30000 and remaining 9.9 per cent of the respondents had monthly income of less than Rs.10000.

It is inferred from the above table that one-third (i.e.) 39.3 per cent of the respondents had 5-6 family members, 26.9 per cent of the respondents had 7-8 family members, 21.8 per cent of the respondents had more than 8 family members and remaining 12.1 per cent of the respondents had 2-4 family members.

One Way Analysis of Variance among the Respondents’ Reasons to Choose Car Brand with regard to Various Dimensions of Consumer Preference towards Four Wheelers

Table-2
### 2. Preference to Purchase

<table>
<thead>
<tr>
<th>Factor</th>
<th>G1</th>
<th>G2</th>
<th>G3</th>
<th>G4</th>
<th>G5</th>
<th>G6</th>
<th>G7</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>12.5882</td>
<td>13.2039</td>
<td>13.2365</td>
<td>13.3407</td>
<td>13.2708</td>
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<td>13.2195</td>
<td>2.708</td>
<td>&lt; 0.05</td>
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<td>Within Groups</td>
<td>832.070</td>
<td>832.070</td>
<td>832.070</td>
<td>832.070</td>
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<td>832.070</td>
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</table>

### 3. Cost

<table>
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<th>G1</th>
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<th>G3</th>
<th>G4</th>
<th>G5</th>
<th>G6</th>
<th>G7</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>8.8824</td>
<td>8.6214</td>
<td>8.8851</td>
<td>9.2519</td>
<td>8.8333</td>
<td>8.8427</td>
<td>8.9512</td>
<td>3.134</td>
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<tr>
<td>Within Groups</td>
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<td>843.516</td>
<td>843.516</td>
<td>843.516</td>
<td>843.516</td>
<td>843.516</td>
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### 4. Quality & Technology

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<th>G3</th>
<th>G4</th>
<th>G5</th>
<th>G6</th>
<th>G7</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
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<td>23.0473</td>
<td>23.0444</td>
<td>23.0000</td>
<td>23.2472</td>
<td>23.2195</td>
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<td>&gt; 0.05</td>
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<tr>
<td>Within Groups</td>
<td>15.318</td>
<td>15.318</td>
<td>15.318</td>
<td>15.318</td>
<td>15.318</td>
<td>15.318</td>
<td>15.318</td>
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</tr>
</tbody>
</table>

### 5. Safety & Service

<table>
<thead>
<tr>
<th>Factor</th>
<th>G1</th>
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<th>G4</th>
<th>G5</th>
<th>G6</th>
<th>G7</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
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<tr>
<td>Between Groups</td>
<td>18.2941</td>
<td>18.4757</td>
<td>18.5068</td>
<td>18.6889</td>
<td>18.7188</td>
<td>18.7640</td>
<td>18.4146</td>
<td>1.214</td>
<td>&gt; 0.05</td>
</tr>
<tr>
<td>Within Groups</td>
<td>10.689</td>
<td>10.689</td>
<td>10.689</td>
<td>10.689</td>
<td>10.689</td>
<td>10.689</td>
<td>10.689</td>
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</tr>
</tbody>
</table>

### 6. Appearance

<table>
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<th>Factor</th>
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<th>G3</th>
<th>G4</th>
<th>G5</th>
<th>G6</th>
<th>G7</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>17.6471</td>
<td>17.3495</td>
<td>17.8851</td>
<td>17.8963</td>
<td>17.4896</td>
<td>17.3596</td>
<td>17.1707</td>
<td>3.177</td>
<td>&lt; 0.05</td>
</tr>
<tr>
<td>Within Groups</td>
<td>44.164</td>
<td>44.164</td>
<td>44.164</td>
<td>44.164</td>
<td>44.164</td>
<td>44.164</td>
<td>44.164</td>
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</tr>
</tbody>
</table>

**Sources:** Authors Compilation

---

**Friedman Test for Consumer Preference towards Four Wheelers**

**Table-3**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Consumer Preference</th>
<th>Mean Rank</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Preference to cost</td>
<td>5.07</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Service support</td>
<td>5.21</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>High fuel efficiency</td>
<td>5.81</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Latest technology</td>
<td>6.23</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Car sitting capacity</td>
<td>5.17</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Resale value</td>
<td>5.72</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Comfort</td>
<td>5.81</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Non-polluted vehicle</td>
<td>5.25</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Brand image</td>
<td>5.52</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>Easy to Handle</td>
<td>5.81</td>
<td>2</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation
Interpretation: The above table shows the factors with respective rank for consumer preference towards four wheelers. Mean score (6.23) of Latest, technology had highest first rank because the consumers required latest technology in car manufacturing to maintain economical operation cost. Always consumers need the best in their life. Today’s luxury is tomorrow’s necessity. High fuel efficiency as well as comfort and easy to handle stand in second rank towards consumer preference. Brand image stand third rank, Non-polluted vehicle stand fifth rank, service support stand sixth rank, Car sitting capacity stand seventh rank. Preference to cost stand eighth rank towards consumer preference.

‘z’ Test Between Mode of Payment and Various Dimensions of Consumer Preference towards Four Wheelers

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Consumer preference</th>
<th>X</th>
<th>S.D</th>
<th>S.E</th>
<th>Statistical Inference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Purpose &amp; Convenience</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash (n:343)</td>
<td>13.6152</td>
<td>1.02769</td>
<td>.05549</td>
<td>z = 2.756 d.f. = 627 p &lt; 0.05 Significant</td>
</tr>
<tr>
<td></td>
<td>Loan (n:286)</td>
<td>13.8392</td>
<td>.99930</td>
<td>.05909</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Preference to Purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash (n:343)</td>
<td>13.3907</td>
<td>1.21834</td>
<td>.06578</td>
<td>z = 2.168 d.f. = 627 p &lt; 0.05 Significant</td>
</tr>
<tr>
<td></td>
<td>Loan (n:286)</td>
<td>13.1888</td>
<td>1.09192</td>
<td>.06457</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash (n:343)</td>
<td>8.9767</td>
<td>1.37842</td>
<td>.07443</td>
<td>z = 1.536 d.f. = 627 p &gt; 0.05 Not Significant</td>
</tr>
<tr>
<td></td>
<td>Loan (n:286)</td>
<td>8.8322</td>
<td>.87046</td>
<td>.05147</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Quality &amp; Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash (n:343)</td>
<td>23.3440</td>
<td>1.16404</td>
<td>.06285</td>
<td>z = 5.714 d.f. = 627 p &lt; 0.001 Significant</td>
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<td>Loan (n:286)</td>
<td>22.7727</td>
<td>1.34324</td>
<td>.07943</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Safety &amp; Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash (n:343)</td>
<td>18.7055</td>
<td>1.16887</td>
<td>.06311</td>
<td>z = 2.451 d.f. = 627 p &lt; 0.05 Significant</td>
</tr>
<tr>
<td></td>
<td>Loan (n:286)</td>
<td>18.4685</td>
<td>1.25267</td>
<td>.07407</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Findings and Suggestions related to Consumer Preference towards Four Wheelers

- There is a significant correlation between the age of the respondents and consumer preference towards four wheelers in various dimensions.
- There is a significant association between the monthly income of the respondents and consumer preference towards four wheelers in various dimensions.
- There is a significant association between the size of the family of the respondents and consumer preference towards four wheelers in various dimensions.
- There is a significant association between the estimated amount to purchase a car and consumer preference towards four wheelers in various dimensions.
- There is a significant association between the duration of using car and consumer preference towards four wheelers in various dimensions.
- There is a significant difference between the respondents’ Gender and consumer preference towards four wheelers in various dimensions.
- There is a significant difference between the respondents’ marital status and consumer preference towards four wheelers in various dimensions.
- There is a significant difference between mode of payment and consumer preference towards four wheelers in various dimensions.
There is a significant variance among the car brands with regard to various dimensions of consumer preference towards four wheelers.

There is a significant inter correlation matrix among various dimensions of consumer preference towards four wheelers.

There is a significant variance among the respondents’ reason to choose car brands with regard to various dimensions of consumer preference towards four wheelers.

There is no significant variance among the respondents’ educational qualification with regard to various dimensions of consumer preference towards four wheelers.

There is no significant variance among the respondents’ Occupation with regard to various dimensions of consumer preference towards four wheelers.

CONCLUSION

In recent days, Tamil Nadu is witnessing a change in consumerism. The focus is shifting for product based marketing to need based marketing. Consumer is given much option to decide. Passenger car segment is no exception to this general trend. An effective market communication is imperative for reaching the target audience. Therefore, it is important that this research titled consumer preference towards four wheelers of the car owners, which will give us feedback on how marketing strategies can be worked in Trichirappalli at Tamil Nadu. A total of 629 Interview schedules were prepared and Data were collected. The following tools were used in testing the hypotheses and in the analysis of the data. Descriptive statistical tools such as percentage, Median, Mean and standard deviation have been used to describe the profiles of consumers and consumer preference towards four wheelers in various dimensions. Statistical tools like ANOVA, and Z-test.

The study reveals that majority of the respondents had monthly income of Rs.10000 – Rs.20000 in total population. Hence, the brand image and brand loyalty could be boosted by selling quality cars at a reasonable price to suit the needs of the middle-income group. The growth in the population of Tamil Nadu and the increasing number of high middle class consumers has attracted the attention of car manufacturers and marketers. The manufacturers and marketers who study the consumer preference of consumers and cater to their needs and preference will be successful. The study is aimed to consumer preference towards four wheelers in various dimensions and provides many suggestions based on the analysis results. If the organization thoroughly studies the suggestions and implements the suggestions provided, then, there is no doubt that it would always remain satisfying and preferring the consumers. It would be able to attract some more loyal consumers of the competitors.

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...

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A STUDY ON SHOPPERS’ BEHAVIOR WITH SPECIAL REFERENCE TO APPAREL 
@ FEMINA SHOPPING MALL AT TRICHY

Dr. M. Pitchaimani22 M. Chandrasekar23

ABSTRACT

Retailing occupies a pre-eminent position in the economics of all modern societies as it is often stated that only constant in retailing is change and it is certainly true that the pace of development within retailing appears to be accelerating. The organized retail sector in India has been witnessing winds of changes in the last couple of years. Modern small, medium and large format supermarkets, hypermarkets and malls are being developed in all the major cities and large towns to such an extent that hundreds of shopping malls will be opened within the next few years. Apparel store patronage is “a store choice behavior which represents an individual’s preference for a particular store for purchasing apparel products”. The Study concentrates on organized retailing, which consists of shopping malls coming up a big way in India. The objective being to assess the various attributes of the stores located in the malls that influences a buyer to visit or shop at malls thereby contributing to its turnover (in terms of sales and profits) hence leading to its overall success. The decision to patronize a particular store usually starts with a set of characteristics or attributes that shoppers consider important. Shoppers then use these attributes to make decisions regarding what store or stores can cater to their particular needs. Past retail and marketing studies have identified several consumer-oriented store attributes such as price, quality, variety, discounts; store reputation and their relationship to store patronage, but these studies overlooked how the physical environment, store personnel, location convenience and general characteristics of the store affect retail store patronage.

In this paper, the researcher aims to identify and assess the shoppers’ behavior in the apparel category and focuses on complete outfits in formals, ethnic, semi-formals and denim with respect to Male, Female and Children.

KEYWORDS

Attributes of Stores, Frequently visit, Demographic Factors etc.

INTRODUCTION

The retail industry is highly dynamic and innovative. This course looks at how retailing has developed within a business context, and how retail outlets work and apply retail marketing. It offers a balance between theory and practice that is innovative and engaging. During your studies, you will consider contemporary factors that affect retailing: globalization; the impact of ever-changing technology; and social and ethical issues. This course is designed for retail industry employees wishing to develop a career in management, and anyone interested in working in the retail sector, or simply wanting to know more about the world of retailing.

What is retailing? This block establishes the historical and business context of retailing and sets out the competitive retail landscape. It considers the range and scope of types of retail formats and operations; and identifies the key issues affecting the development of retail brands. This block also examines retail law, including consumer protection, product liability, displaying prices, consumer credit and employee-related legislation. Finally, it introduces the remaining blocks and considers the linkages between them.

The present study is an attempt to delve into the retail marketing in India. The focus of the study is mainly to see the impact of organized retail formats on shopping behavior of consumers catering to Apparel. The design was used to produce a picture of factors shoppers consider important while selecting Apparel with mass merchandise, and how the retailers are planning to reach huge market of middle class to make their clientele base wider and intend to provide on mass account. The retail formats, which are commonly analyzed for the study, are stores inside the malls. In this study, attempt has been made to overview an apparel industry with deep merchandise assortment at retail stores and the price range becomes the chief differentiating factors among brands. With competition intensifying in the stores, a dependence on national brands is not enough, so the emphasis is on international brands also.

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REVIEW OF LITERATURE

Various reviews had been collected and analyzed for this study. Previous research works were also analyzed and suitable contents were collected and given in this chapter. These reviews will help to understand the past research history in the relevant field. The unexplored areas are taken for research. Though there were many researchers conducted in the area of shoppers’ Behaviour, it is very important to understand the Customer Expectation Management. This study will help to understand the customers’ expectations in an Organized Retail Outlet and how far the Retail Outlets could fulfill their expectations.

Barry (2015) mentioned about the retail revolution. He had stated how the retail sector of the U.S. economy had gone through dramatic, exciting changes. He made differentiation between traditional stores and modern stores. Traditionally, one of the main differences between department, specialty, and discount stores was the service component. Services were features or variables that were used to establish an advantage over competition. All retailers provide service of some sort, but the types and amounts of services offered vary. He classified the services into three categories. These categories include services that provide convenience (e.g., store location, effective store layout, appearance, knowledgeable sales staff), services that facilitate sales (e.g., store credit cards), and auxiliary services (e.g., gift certificates, layaway, gift-wrapping, special orders, mail orders. Discounters are also creating store layouts that are more specialty-store oriented. Service differences among the three store types are disappearing. They serve as anchors for community shopping centers, or are freestanding units on low cost real estate. Recently, discount stores have located as major anchors of regional shopping centers. With respect to interior environment, discount stores create a carnival-like setting using bright bold store décor, special sales events, and storefront, row checkouts.

Guadagni and Little (2014) ‘The project is designed to determine whether there are common emotions that drive consumers’ retail shopping behaviors for apparel products in global markets. The research identified shoppers’ internal psychological factors, external retail store-related factors that affect shopper’s positive and negative emotions. The study explores the relationship between these emotions and shoppers purchasing behavior in global market. It was found that a psychological factor drives local consumers’ needs for apparel shopping and their shopping satisfaction at different retail stores. They concluded in their study that consumers who switch over to a brand have a higher likelihood of repurchasing the brand if they switched voluntarily than if; they did so in response to a promotion.

William (2013) defines patronage as how individuals choose an outlet for shopping. Store choice and patronage patterns are based on consumer’s perceptions, images, and attitudes formed from experiences, information, and need. Furthermore, patronage behavior involves a decision process related to where consumers shop, how they shop, and what they purchase. This decision process is often initiated by patronage motives, which determine why consumers shop and make purchases at certain retail stores, the patronage decision process involves three basic components: retailer attributes, consumer characteristics and the choice context. Preference for certain retailer attributes differs by consumer and these preferences are reflected in store choice.

RESEARCH METHODOLOGY

This study is focused on analyzing A Study on Shoppers’ Behavior with Special Reference To Apparel @ Femina Shopping Mall, Trichy. This also analyzes the problems faced by the retail outlet to meet the expectations of the customers. The study also explores the customers changing behaviors while selecting their Shops and purchasing behaviors’ while making their purchase decisions. Hence, the nature of this study is Descriptive.

Sampling Method

Convenience Sampling Technique is used to select the respondents for the primary data collection. All the customers those who visited these Outlet were approached to fill the Questionnaire.

Data Collection

The administered Questionnaires were distributed to the customers those were visiting the selected Femina Shopping Mall, Trichy City. When the customers were filling the Questionnaires, they had some doubts. Those doubts were clarified and the Researcher personally helped them to fill the Questionnaire. Out of 150 Questionnaires distributed, 30 were rejected due to insufficiency of information. 120 Questionnaires were filled with all necessary data. They were interpreted.

STATEMENT OF PROBLEM

Globally Customers are becoming more powerful. Companies and firms, who are producing Products and giving Services, are trying to satisfy their ultimate customers. The Concept of Customer Relationship Management is emerged to do this. Customers are treated as Gods. Due to the emergence of Retailing, there are plenty of choices in front of a customer. Heavy competition is
also an important reason. If a company does not satisfy its customer, someone will do that and that company will take the customer.

OBJECTIVES OF STUDY

Primary Objective

To study the shoppers’ behavior with reference to apparel shopping at Femina Shopping Mall, Trichy.

Secondary Objectives

- To provide insight into the buying behavior of shoppers’ and preferred attributes of stores in the Femina Shopping Mall, Trichy.
- To see the shoppers’ preferred brands for buying apparel in stores located in shopping malls in Femina Shopping Mall, Trichy.

SCOPE OF STUDY

The study focuses on the challenges faced by Organized Retail Outlets in Femina Shopping Mall, Trichy. Now a day’s customers are empowered with knowledge because of the technological improvements happened in Information Technology and Communication. Everything is a click away from the customers. To satisfy the customers, the Organized Retail Outlets formulate selling and marketing strategies. They train their employees to behave well with the customers. Companies and Retail Outlets smell their customers. They wish to strengthen their relation for a long term with their customers. For which they have to understand the needs of their customers in a better way. If they know their needs well, they can do their services well. Customers are also changing their needs often. They have variety of choices in front of them. They switch their loyalties often. Retaining the customers with the Outlet is highly challenging for all the Retail Outlets. As the spending capacity of the customers is increasing, all the Outlets are looking for potential business. Families are earning double income since most of the house wives are working. Children of the families decide the Outlets and they become key while making purchase decisions of a family. Customers are visiting Organized Retail Outlets to make their shopping experience as pleasurable. Therefore, they select the Outlets very carefully. These provide high scope to Organized Retail Outlets.

LIMITATIONS OF STUDY

- This study in conducted only in Femina Shopping Mall, Trichy city.
- Getting information from the respondents was quite difficult.
- The opinions of the respondents may be biased.

DATA ANALYSIS

The collected data were analyzed and inferences were drawn. To analyses, the collected data the researcher used Simple percentage analysis, ANOVA and Chi-Square.

A) Reliability Test - Cronbach’s Alpha

A Reliability test was carried out with a questionnaire to analyses the Shoppers’ Behavior in Femina Shopping Mall. The questionnaire was administrated to 29 consumers of retail mall. The data collected on this process has been tested using Cronbach’s Alpha for its reliability. The result of the testing and validation revealed that the questionnaire possessed the reliability with the value of 0.802. The questionnaire was best fitted in a normal distribution. Therefore, it was inferred that the questionnaire used for pilot study was highly suitable in ascertaining the responses from the consumers of their shopping behaviour.

Reliability Statistics - SPSS Output for Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Statistics - SPSS Output for Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.802</td>
<td>29</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
DATA ANALYSIS AND INTERPRETATION

Table-2: Showing the Respondents Classification Based on their Demographic Factors

<table>
<thead>
<tr>
<th>Descriptive</th>
<th>Category</th>
<th>Number of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>75</td>
<td>62.5</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>45</td>
<td>37.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Married</td>
<td>42</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Un Married</td>
<td>78</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>Education Qualification</td>
<td>SSLC</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>HSC</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Graduation</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Post - Graduation</td>
<td>49</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>Occupation</td>
<td>Government / Private</td>
<td>38</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Business man</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>House wife</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>Family Monthly Income</td>
<td>Less than 10000</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>10001-15000</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>15001-20000</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>20001-25000</td>
<td>07</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Above 25001</td>
<td>32</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>Family Size</td>
<td>Less than 2 members</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>3 to 5 members</td>
<td>64</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>5 to 7 members</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Above 7 members</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Above table shows that 62.5% of the respondents are Male and 37.5% of the respondents are Female. 35% of the respondents are married and 65% of the respondents are unmarried. 19% of the respondents belong to SSLC level, 11% of the respondents belong to HSC level, 23% of the respondents belong to Graduation Level, 41% of the respondents belong to the PG Level, and 7% of the respondents belong to the Other Qualification. 32% of the respondents are working under the government and private organization, 25% of the respondents are businessperson, 16% of the respondents are homemaker, 16% of the respondents are students and 11% of the respondents are others. 23% of the respondents belong to the Income level of 10000, 22% of the respondents belong to the Income level of 10001-15000, 22% of the respondents belongs to the Income level of 15001-20000, 6% of the respondents belongs to the Income level of 20001-25000 and 27% of the respondents the Income level is Above 25001. 16% of the respondents having Less than 2 members in their family, 53% of the respondents having 3 to 5 members in their family, 18% of the respondents having 5 to 7 members in their family, 13% of the respondents having Above 7 members in their family.

Table-3: Chi-Square

Overall Summary of Gender Vs Sources of Information

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Dimension</th>
<th>Ho</th>
<th>D.f.</th>
<th>P value</th>
<th>Level of Significance</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gender vs variety of selections</td>
<td>There is no significant association between the variables gender vs variety of selections.</td>
<td>4</td>
<td>0.154</td>
<td>0.05</td>
<td>Ho accepted</td>
</tr>
</tbody>
</table>
Gender vs Easy to shop in

There is no significant association between the variables gender vs easy to shop in.

4 0.013 0.05 Ho rejected

Gender vs Always get products I am looking for

There is no significant association between the variables gender vs always get products I am looking for.

4 0.252 0.05 Ho accepted

Gender vs Conveniently located

There is no significant association between the variables Gender vs Conveniently located.

4 0.868 0.05 Ho accepted

Gender vs Good visual Merchandising display

There is no significant association between the variables Gender Vs Good visual Merchandising display.

4 0.344 0.05 Ho accepted

Sources: Authors Compilation

Hypothesis: There is no relationship between personal factors- gender vs sources of information about FSM customer expectation products. It is clear that the p-value is more than 0.05 for 4 factor so (p<0.05), the null hypothesis is accepted at 5 percent level of significance. Hence, there is relationship between Gender Vs Easy to shop in.

Table 4: Rank Correlation Overall Summary

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Factors</th>
<th>Values</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Frequently visit</td>
<td>4.15</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Types of products purchase</td>
<td>4.77</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Purpose of visit to the mall</td>
<td>4.26</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Spend per month for grocery items</td>
<td>4.57</td>
<td>2</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The above table reveals that majority of the respondents ranked Types of products purchase factor as I towards the effects with their employees followed closely Spend per month for grocery items factor which obtain the weight age of 4.57, the III position was ranked by Purpose of visit to the mall which obtain the score of 4.26, fourth towards Frequently visit for green practices of employees perception which obtain the weight age of 4.15.

FINDINGS

- 62.5% of the respondents are Male and 37.5% of the respondents are Female.
- 35% of the respondents are married and 65% of the respondents are Unmarried.
- 19% of the respondents belong to SSLC level, 11% of the respondents belong to HSC level, 23% of the respondents belong to Graduation Level, 41% of the respondents belong to the PG Level, and 7% of the respondents belong to the Other Qualification.
- 32% of the respondents are working under the government and private organization, 25% of the respondents are businessman, 16% of the respondents are housewife, 16% of the respondents are students and 11% of the respondents are others.
- 23% of the respondents belong to the Income level of 10000, 22% of the respondents belong to the Income level of 10001-15000, 22% of the respondents belongs to the Income level of 15001-20000, 6% of the respondents belongs to the income level of 20001-25000 and 27% of the respondents the Income level is above 25001.

SUGGESTIONS

The researcher would like to suggest the following for the upliftment of an organized retail outlet. It is always better to go for extension step-by-step. This would help to maintain and to improve the brand image of the Retail Store. Due to the economic and social changes that are taking place in our country, more and more people are shopping to suit their requirements (quantitative, qualitative and economical in nature). This gives plenty of scope for the manufacturers to grab the market.

Most of the consumers are more conscious about their health. Hence, it is suggested that companies shall also give due importance in promoting hygienic products. Due to information technology revolution, consumers are updated with product knowledge. Hence, the producers shall concentrate on giving transparent information to the customers.
The customer care executives may have to maintain discipline that may be preferred by the customers. Satisfying the existing customers will keep the word-of-mouth advertising about the retail outlet alive. That will acquire new customers and will enhance the brand image. Front-end service factors, which facilitate comfort, convenience, flexibility and deliver superior value to customers. Innovation will help to the growth.

CONCLUSION

Through this study, the research found that fulfilling the shoppers’ behavior of the consumers is very essential. That alone will keep the customers to be loyal to the store. The growth and long-term sustainability of the retail outlet are depended on this factor. Organized retail outlets and the companies, which are supplying products and services, have realized the importance of retaining the existing customers and acquiring new customers are extremely important for the growth. The following are the expectations of shoppers’ behavior in a Retail Outlet when they decide to buy. Consumers expect several brands. They are expecting several choices.

The multiple brands and private labels. They expect these brands and private labels are to be displayed in neat way. They give importance to Visual Merchandising. Whenever promotions are offered, they expect that the POP materials be to be displayed near the product or in the shelf. They expect consistent availability of the products at reasonable prices at all times. While selecting a retail outlet, most of the customers look for good ambiance and spacious wide alleyways. Customers expect that overall shopping experience should be a pleasurable one.

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CONSUMERS’ ATTITUDE ON INDIAN AND MNC PRODUCTS: A STUDY

Dr. N. Santhosh Kumar

INTRODUCTION

When a company operating in a home nation and establishes its subsidiary in other nations (host nations), it becomes an MNC and there starts the process of globalization wherein a local company serves the entire world with its products and services. The advent of Internet and the ensuing “new economy” has opened up a plethora of new business opportunities - and an “inevitable” number of businesses Multinational corporation (or transnational corporation) (MNC/TNC) is a corporation or enterprise that manages production establishments or delivers services in at least two countries. Very large multinationals have budgets that exceed those of many countries. Multinational corporations can have a powerful influence in international relations and local economies. Multinational corporations play an important role in globalization; some argue that a new form of MNC is evolving in response to globalization: the ‘globally integrated enterprise.

Why are Multinational Companies in India?

There are a number of reasons why the multinational companies are coming down to India. India has got a huge market. It also has one of the fastest growing economies in the world. Besides, the policy of the government towards FDI has also played a major role in attracting the multinational companies in India. For quite a long time, India had a restrictive policy in terms of foreign direct investment. As a result, there was lesser number of companies that showed interest in investing in Indian market. However, the scenario changed during the financial liberalization of the country, especially after 1991. Government, nowadays, makes continuous efforts to attract foreign investments by relaxing many of its policies. As a result, a number of multinational companies have shown interest in Indian market.

Following are the reasons why multinational companies consider India as a preferred destination for business:

- Huge market potential of the country,
- FDI attractiveness,
- Labor competitiveness,
- Macro-economic stability.

RESEARCH METHODOLOGY

This study includes primary data collection with a convenient sample size of one hundred target respondents of the users of electrical and electronic products like Mobile phone, Refrigerator, Television and Computers in Thanjavur Town.

OBJECTIVES OF STUDY

- To find out the awareness level of Indian and MNCs products.
- To find out consumers’ attitude towards electrical and electronics products.
- To find out the reasons for preferring Indian and MNCs products.

ANALYSIS OF RESULTS

The study is conducted with the help of statistical tools like Percentage Analysis and Chi Square Test after circulating questionnaires to the respondents.

Table-1: Preference of Consumer towards Selecting the Indian and MNCs

<table>
<thead>
<tr>
<th>Product</th>
<th>Indian Companies</th>
<th>MNCs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refrigerator</td>
<td>22</td>
<td>78</td>
<td>100</td>
</tr>
<tr>
<td>Television</td>
<td>21</td>
<td>79</td>
<td>100</td>
</tr>
<tr>
<td>Mobile</td>
<td>5</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td>Computers</td>
<td>18</td>
<td>82</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

24 Assistant Professor (Commerce), School of Management Studies, Marudupandiyar College, Tamil Nadu, India, cnrskumar@gmail.com
Table-1 shows that majority of the respondents prefer only MNCs product compare to Indian companies products. Of all the products, consumers mostly prefer MNCs products in mobile phones, since most of them are attracted for the quality and service, followed by refrigerator and computers.

**Table-2: Role of the Income of Consumer in the Preference of Company**

<table>
<thead>
<tr>
<th>Income of the Consumers</th>
<th>MNCs</th>
<th>Indian</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Rs. 10,000</td>
<td>11</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>Rs.10,000 – Rs.20,000</td>
<td>30</td>
<td>12</td>
<td>42</td>
</tr>
<tr>
<td>Rs.20,000 – Rs.30,000</td>
<td>18</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Rs.30,000 – Rs.40,000</td>
<td>9</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Above Rs.40,000</td>
<td>7</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>75</td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Applying Chi square Test for the Table 2

H0: There is no significant Difference between Income of the consumers and preference of the Company.
H1: There is significant Difference between Income of the consumers and preference of the Company.

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O-E</th>
<th>(OE)² / E</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>13.5</td>
<td>-2.5</td>
<td>0.462</td>
</tr>
<tr>
<td>30</td>
<td>31.5</td>
<td>-1.5</td>
<td>0.071</td>
</tr>
<tr>
<td>18</td>
<td>15</td>
<td>3</td>
<td>0.6</td>
</tr>
<tr>
<td>9</td>
<td>8.25</td>
<td>0.75</td>
<td>0.068</td>
</tr>
<tr>
<td>7</td>
<td>6.75</td>
<td>0.25</td>
<td>0.009</td>
</tr>
<tr>
<td>7</td>
<td>4.5</td>
<td>2.5</td>
<td>1.388</td>
</tr>
<tr>
<td>12</td>
<td>10.5</td>
<td>1.5</td>
<td>0.214</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>-3</td>
<td>1.8</td>
</tr>
<tr>
<td>2</td>
<td>2.75</td>
<td>-0.75</td>
<td>0.204</td>
</tr>
<tr>
<td>2</td>
<td>2.25</td>
<td>-0.25</td>
<td>0.027</td>
</tr>
</tbody>
</table>

Calculated Value = 4.84733

Sources: Primary Data

Degrees of Freedom

\[(r-1) \times (c-1)\]

\[= (5-1) \times (2-1) = 4\]

\[X^2 (Chi square) \text{ Table Value at 5% Significant Level} = 9.488\]

Calculated Value = 4.84733

Since the calculated value is less than the table value, H0 may be accepted. Therefore, there is no significant difference between the Income of the consumers and preference of the Company. Hence, consumer’s income does not influence the company preference.

**Table-3: The Preference of Company Based on the 5 P’s Strategy**

<table>
<thead>
<tr>
<th>Products</th>
<th>Refrigerator</th>
<th>Television</th>
<th>Mobile</th>
<th>Computers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies</td>
<td>Indian</td>
<td>MNC</td>
<td>Indian</td>
<td>MNC</td>
</tr>
<tr>
<td>Product</td>
<td>5</td>
<td>20</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Price</td>
<td>4</td>
<td>17</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Promotion</td>
<td>2</td>
<td>25</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>Physical Distribution</td>
<td>6</td>
<td>10</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Person</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td>10</td>
</tr>
</tbody>
</table>

Sources: Primary Data

The Table 3 shows that majority of the consumers prefers MNCs for buying mobile phone based on the product mix strategy. In the case of television, mobile phone as well computers, majority of them prefer MNCs for the product mix strategy. It is because, as the consumers prefer quality, product features, etc rather than price, promotion, physical distribution and personal selling.
Using two way classification of ANOVA for the Table 4

H0: There is no significant difference between Product, price, Promotion, Physical Distribution, Person and preference of the Company.
H1: There is significant difference between Product, price, Promotion, Physical Distribution, Person and preference of the Company.

Table 5

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>Price</th>
<th>Promotion</th>
<th>Physical Distribution</th>
<th>Person</th>
<th>T₁</th>
<th>T₁²/k</th>
<th>Σx₀²/k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian</td>
<td>17</td>
<td>18</td>
<td>9</td>
<td>13</td>
<td>9</td>
<td>66</td>
<td>872.2</td>
<td>944</td>
</tr>
<tr>
<td>MNC</td>
<td>120</td>
<td>93</td>
<td>61</td>
<td>28</td>
<td>31</td>
<td>334</td>
<td>22311.2</td>
<td>2857</td>
</tr>
<tr>
<td>Tj</td>
<td>137</td>
<td>111</td>
<td>70</td>
<td>42</td>
<td>40</td>
<td>400</td>
<td>23182.4</td>
<td>29516</td>
</tr>
<tr>
<td>ΣTj²/h</td>
<td>9384.5</td>
<td>6160.5</td>
<td>2450</td>
<td>882</td>
<td>800</td>
<td>ΣT²j</td>
<td>19677</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Primary Data

Total Variables (V) = ΣΣxij² - T²/N
= 29516-16000 = 13516

Vᵣ = Variables between rows = ΣTj²/k - T²/N
= 23182.4 – 16000 = 7182.4

Vc = Variables between Columns = ΣTj²/h - T²/N
= 19677 – 16000 = 3677

Error = Vₑ = V - Vᵣ - Vc
= 13516 – 7182.4 – 3677 = 2656.6

Since the calculated value is more than the table value, H0 may be rejected. Therefore, there is significant difference between Product, price, Promotion, Physical Distribution, Person and preference of the Company. There are no specific factors to buy only MNC products than Indian product except quality. People also compromise in this regard if they are able to get the same quality in the Indian products. Absolutely, the respondents also agree with this fact and in fact few of them states that they are not aware of the Indian and MNCs due to lack of knowledge but they buy MNCs product unknowingly since it is MNC’s products because of technological advancement and good quality.

CONCLUDING REMARKS

As long as MNCs products are existing in India, the Indian companies must concentrate on their quality and cost to compete with them and have to occupy a pivotal role in their domestic countries. The taste and preference of consumers, their likes and dislikes, their feelings and attitude, their behavioural aspects and all other factors, which influence them to prefer Indian products, should be taken into account while shaping the products. Swedish movement is not required in India but best quality products for Indian consumer is very much required and that will erode the preference of MNCs product by Indian consumers.

REFERENCES


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( Editor-In-Chief)

PREFERENCE FACTORS FOR EDUCATIONAL SERVICES

Dr. S. Valli Devasena26

ABSTRACT

Marketing of education is a subject with very wide coverage. Formal education begins at the school age and depending upon the choice, vocation and circumstance of the pursuant, matures into intermediate and higher levels of learning, ramifying into professional and specialized fields. The need to “market” their services has not really been felt by the education sector, as educational institutions, have always faced more demand than they could cope with. Even the institution facing heavy demand have been confronted with the question of being able to choose the desired kind of target customers and are, therefore, face to face with issues like product differentiation, product extension, diversification and service integration.

KEYWORDS

Marketing of Education, Students Satisfaction towards Educational Services, Factor Analysis etc.

INTRODUCTION

Education in India has a very early origin and growth. Indians have contributed towards arts, culture and scientific development. All the rulers have their role in the development of education of their subject. However, today in India education have become mostly a commercial venture and a tool to augment wealth. Privatization in education is the current trend in India as it prevails in other sectors. In years ago, the Central Board of Secondary Education schools are started at few major cities with very few schools under direct control of central governments.

STATEMENT OF PROBLEM

The government totally has stopped starting new schools. The investment in education by the government has been decreasing. In a steady moving global race, were every nation is running on sword’s edge. Where every citizens needs to play his/her best to make a note in country’s wealth. Now in Tamil Nadu, equal syllabus is followed all over the state. The people will like to differentiate their children with others and people want quality education at affordable price too. Because of this attitude, the people go towards central board of secondary education schools for better and innovative knowledge through best environment. As a result, more CBSE schools are being started particularly at primary and secondary levels, mostly in urban areas.

At present in urban areas, the role of CBSE schools is increasing. The present study is an attempt to investigate the factors responsible for the growth of such senior secondary schools and the problems faced by them.

Education is not in the priority sector. Both the central and the state government disown this sector in every possible manner. The alarming population explosion, the regular migrations of people to the urban area, constant neglect of the government at the centre and state levels and the indifferent attitudes of aided, School management has all caused a rapid change in the system of education. Because of accelerating demand, the educational services have become easily marketable products of the private sector. The current investigation is an attempt to analyses the situation and suggests remedies.

REVIEWS OF LITERATURE

Andrew Hinkle PhD, Daniel Ansel M.A., (1982) “A Marketing Strategy for Consultation and Education Services” this paper has discussed the several steps essential to effectively marketing C&E. The major points considered are philosophy, assessment, planning, implementation, and evaluations. Sub categories under these are discussed in some detail with particular importance placed on the issue of reimbursement. Although each step is important to the overall marketing process it is suggested that the pre-assessment and post-evaluation phases are probably the most neglected factors in the program planning process.

Douglas Dollar (1985), “Does Marketing Really Work For Community And Junior Colleges?” entitled that this study sought to examine the marketing orientations found in community, junior and technical colleges and to relate these orientations to enrollment trends within those same institutions. “High” and “low” marketing orientation campuses were defined based upon a marketing typology developed for the study. Analyses of variance revealed differences between these two types of campuses in terms of the stability of their full-and part-time headcount enrollments for a nine-year period. Among other findings, the study describes the diversity of marketing approaches employed by the nation's two-year colleges. Results of the study indicate that

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chief executives can look to establishing sound marketing management organizations, sensitive marketing intelligence systems, and efficient marketing planning and control systems to influence enrollment trends.

Kimball P. Marshall & V. Carolyn Craig (1998). Public Education as an Emerging Market for Marketers: A Study of Market Conditions and Administrators' needs, states that Public education at the elementary through high school levels in the United States is in crisis. Market problems include general public dissatisfaction with perceptions of school quality and safety and a lack of correspondence between public desires and apparent school system achievements. These conditions present an opportunity to expand the province of marketing to a new field with new theoretical challenges. While a public sector marketing orientation can help school administrators to enhance relationships with their exchange publics, professional educators often resist a marketing perspective as impinging on professional stature. This study considers a social marketing orientation that addresses professional educator concerns and market needs. Public perceptions of educational systems in one southern state are then reviewed and data are presented on public school districts' superintendents marketing orientations and needs for support services.

Richard M. Canterbury (2000) “Higher Education Marketing: A Challenge” states that similarities between higher education and other services may not be sufficient to conclude that services marketing methods transfer easily to all markets in higher education. High school students are a market segment offered as an example of how distinctive issues may apply.

Tim Mazzarol, Geoffrey N. Soutar & Vicky Thein (2001), “Critical Success Factors in the Marketing of an Educational Institution: A Comparison of Institutional and Student Perspectives”, states that this paper examines the emergence of education as a marketable service with institutions now seeking to market themselves in a professional manner. A comparison is made between two samples—one of administrators within educational institutions in Australia, Canada, New Zealand, the United Kingdom and United States, the other of college and university students in Australia. Statistical analysis identified a series of key factors considered critical to the successful marketing of these institutions. A comparison of institutional and student views is made concluding that significant differences exist between the two groups. Managerial and research implications are provided.

John M. McGrath (2002) “Attitudes about Marketing in Higher Education: An Exploratory Study”, this article describes a study measuring the attitudes of higher education professionals about the marketing policies of their institutions.

Results of the study indicate that respondents agree that marketing efforts are now “critically important” to their institutions' future. Results also identify attitudes about who should be responsible for marketing policies, as well as attitudes about the effectiveness of the policies. The article also draws implications from the study, which might serve as a catalyst for future research that could benefit the field of marketing in higher education.

Dr. P. Annaraja and C. Sheela (2003) “Influence of Level of Aspiration and Study Habits on Achievements of Mathematics of Higher Secondary Students” study states that the investigator has attempted to find out the influence of level of aspiration and study habits on achievement in mathematics. The objectives of the study is i) to find out the level of aspiration of the higher secondary students ii) to find out the level of study habits of the higher secondary students iii) to find out the level of achievement in mathematics of higher secondary students iv) to find out the influence of level of aspiration & study habits on achievement in mathematics of higher secondary students.

OBJECTIVES OF STUDY

- To analyze the preference factors of students towards the services rendered by their schools and to offer suggestions.

Area of the Study

This survey is conducted among all those students who are studying in central board of secondary education schools at Chennai city. Chennai is the capital city of our state. Chennai is the Gateway of South India and it is biggest industrial and commercial centre in South India and major cultural, economic and educational centre as well. Chennai is consider as sixth most populous city in India and fourth populous metropolitan area in the country and 31st largest urban area in the world. Chennai's economy has a broad industrial base in the automobile, computer, technology, hardware manufacturing and healthcare sectors. There are 45 CBSE schools located in Chennai city. The lists of 45 schools are presented in annexure 2.

Questionnaire Design

The questionnaire is so framed with an intention to elicit the information from the students of central board of secondary education schools. Primary data were collected through questionnaire survey.

The first sector is intended to get the personal profile of the selected respondents such as name, standard, gender, parent’s monthly income, number of children in their family.
The second section consists of 70 statements reflecting 12 dimensions of reasons for selecting the school such as reference; school gets attention through, social responsibility, advertisement, etc, is prepared and presented to the students.

The third section consists of 33 statements about the students’ opinion of the school with five-point scale ranging from 1(very poor) to 5 (very good) such as discipline, infrastructure facilities, fees structure etc.

The fourth section contains 10 statements about the satisfaction level of the students about the school with five point scale ranging from 1(highly dissatisfied) to 5(highly satisfied) such as management, fees structure, teaching methods, etc.

In the last section, necessary suggestions were invited from the respondents.

Selection of Sample Unit: For the survey, random sampling technique was adopted. Chennai region was selected as the sample unit based on the random selection, out of 29 districts in Tamil Nadu. There are 45 Central board secondary schools located in Chennai city. For selecting the student respondents, random sampling technique was used.

ANALYSIS OF THE STUDY

Profile of the Study

Standard
The study was taken from the students who are studying VI to XII standards. Each standard are expressed individually. Standard wise classification of the respondents is presented in the Table.

<table>
<thead>
<tr>
<th>Standard</th>
<th>Number of Students</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>IX</td>
<td>42</td>
<td>24.7</td>
</tr>
<tr>
<td>VI</td>
<td>4</td>
<td>2.4</td>
</tr>
<tr>
<td>VII</td>
<td>22</td>
<td>12.9</td>
</tr>
<tr>
<td>VIII</td>
<td>43</td>
<td>25.3</td>
</tr>
<tr>
<td>X</td>
<td>31</td>
<td>18.2</td>
</tr>
<tr>
<td>XI</td>
<td>16</td>
<td>9.4</td>
</tr>
<tr>
<td>XII</td>
<td>12</td>
<td>7.1</td>
</tr>
<tr>
<td>Total</td>
<td>170</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Table 1 shows 24.7 per cent of the students were studying IX STD, 2.4 per cent of the students were studying VI STD, 12.9 per cent of the students were studying VII STD, 25.3 per cent of the students were studying VIII STD, 18.2 per cent of the students were studying X STD, 9.4 per cent of the students were studying XI STD, and 7.1 per cent of the students were studying XII STD.

Majority (25.3 per cent) of the students were studying VIII STD.

Gender
Genders are classified into two categories. They are male and female students. Gender wise classification of the respondents is presented in the Table 2

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number of Students</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>112</td>
<td>65.9</td>
</tr>
<tr>
<td>Female</td>
<td>58</td>
<td>34.1</td>
</tr>
<tr>
<td>Total</td>
<td>170</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Table 2 indicates 65.9 per cent of the respondents belong to male gender, and 34.1 per cent of the respondents belong to female gender.

Majority (65.9 per cent) of the respondents belong to male gender.
II. Factor Analysis

In order to identify a few important factors out of more number of selected variables, factor analysis was used. There were several methods available for factor analysis. However, principal factor method with orthogonal varimax rotation had been mostly used, as it is widely available in factor analytic computer programme. In the present study, the principal factor method with varimax Kaiser Normalization rotation is used to extent factors.

Communalities

Communalities indicate the amount of variance in each variable that is accounted for initial and extraction values in the information about questions for a comparative analysis on Marketing of educational services by the central board of secondary education schools at Chennai. All the variables satisfy the minimum requirement of being larger than 0.50.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Initial</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher control over students</td>
<td>1.000</td>
<td>.701</td>
</tr>
<tr>
<td>Results</td>
<td>1.000</td>
<td>.603</td>
</tr>
<tr>
<td>Discipline</td>
<td>1.000</td>
<td>.567</td>
</tr>
<tr>
<td>Classroom size</td>
<td>1.000</td>
<td>.618</td>
</tr>
<tr>
<td>Checking and Evaluation</td>
<td>1.000</td>
<td>.539</td>
</tr>
<tr>
<td>Play ground</td>
<td>1.000</td>
<td>.631</td>
</tr>
<tr>
<td>Care of students</td>
<td>1.000</td>
<td>.641</td>
</tr>
<tr>
<td>Spoken English</td>
<td>1.000</td>
<td>.671</td>
</tr>
<tr>
<td>Teacher parents meeting</td>
<td>1.000</td>
<td>.665</td>
</tr>
<tr>
<td>Computer laboratory</td>
<td>1.000</td>
<td>.558</td>
</tr>
<tr>
<td>Individual attention</td>
<td>1.000</td>
<td>.865</td>
</tr>
<tr>
<td>Library and laboratory facilities</td>
<td>1.000</td>
<td>.839</td>
</tr>
<tr>
<td>Sanitary facilities</td>
<td>1.000</td>
<td>.671</td>
</tr>
<tr>
<td>Ayah (servants)</td>
<td>1.000</td>
<td>.740</td>
</tr>
<tr>
<td>Hostel and Canteen</td>
<td>1.000</td>
<td>.653</td>
</tr>
<tr>
<td>Uniform cloth supply and stitching</td>
<td>1.000</td>
<td>.674</td>
</tr>
<tr>
<td>Vaccine and health drinks supplied</td>
<td>1.000</td>
<td>.669</td>
</tr>
<tr>
<td>Transport and parking facilities</td>
<td>1.000</td>
<td>.708</td>
</tr>
<tr>
<td>Drinking water facilities</td>
<td>1.000</td>
<td>.716</td>
</tr>
<tr>
<td>Supply of books and notebooks</td>
<td>1.000</td>
<td>.646</td>
</tr>
<tr>
<td>Supply of belt, tie, shoes, bag and identity cards</td>
<td>1.000</td>
<td>.721</td>
</tr>
<tr>
<td>Auditoriums</td>
<td>1.000</td>
<td>.752</td>
</tr>
</tbody>
</table>

Note: Extraction Method: Principal Component Analysis.

Sources: Authors Compilation

Initial: Communalities are estimates of the variance in each variable accounted for by all questions or factors about the comparative analysis on student’s opinion in the marketing of educational services by the central board of secondary education schools at Chennai. For principal components extraction, this is always equal to 1.0 for correlation analysis.

Extraction: Communalities are estimates of the variance in each variable accounted for by the components. The communalities in this table the information about product questions like:

- Individual attention,
- Library and laboratory facilities,
- Auditoriums,
- Ayah (servants),
- Supply of belt, tie, shoes, socks, bag and identity cards,

The above terms are high extraction values, which indicate that the extracted components represent the variables are good fit.
Table 4: Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
</tr>
<tr>
<td>1</td>
<td>9.080</td>
<td>41.272</td>
</tr>
<tr>
<td>2</td>
<td>2.028</td>
<td>9.216</td>
</tr>
<tr>
<td>3</td>
<td>1.512</td>
<td>6.872</td>
</tr>
<tr>
<td>4</td>
<td>1.120</td>
<td>5.091</td>
</tr>
<tr>
<td>5</td>
<td>1.110</td>
<td>5.045</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>22</td>
<td>.128</td>
<td>.580</td>
</tr>
</tbody>
</table>

Note: Extraction Method: Principal Component Analysis.
Sources: Authors Compilation

This first section of the table shows the Initial Eigenvalues. The variance explained by the initial solution, extracted components and rotated components of the students were of the opinion in marketing of educational service by the central board of secondary education school is displayed.

The 2nd column indicated the percentage of variance gives amount of variance in the original variables accounted for by each component.

The 3rd column cumulative indicates the percentage values, expressed as a cumulative, of the variance accounted for by each component to the total variance in all the variables.

Extraction Sums of Squared Loadings

The second section of the table shows the extracted components. They explain nearly 67.49% of the variability in the original twenty two variables considerably reduces the complexity of the data set by using these five components, with 30% loss of information.

Table 5: Rotated Component Matrix

<table>
<thead>
<tr>
<th>Variables</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher Control over Students</td>
<td>1  .028</td>
</tr>
<tr>
<td>Results</td>
<td>2  -.002</td>
</tr>
<tr>
<td>Discipline</td>
<td>3  .038</td>
</tr>
<tr>
<td>Classroom Size</td>
<td>4  -.011</td>
</tr>
<tr>
<td>Checking and Evaluation</td>
<td>5  .836</td>
</tr>
<tr>
<td>Play Ground</td>
<td>.661</td>
</tr>
<tr>
<td>Care of Students</td>
<td>.491</td>
</tr>
<tr>
<td>Spoken English</td>
<td>.513</td>
</tr>
<tr>
<td>Teacher Parents Meeting</td>
<td>.578</td>
</tr>
<tr>
<td></td>
<td>.533</td>
</tr>
</tbody>
</table>

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The rotated component matrix table shows that the Factor 1 is a combination of eight variables such as Results, Discipline, Care of students, Spoken English, Computer laboratory, Transport and parking facilities, Drinking water facilities, Supply of books and notebooks.

The above table suggests that the variables Classroom size, Checking and Evaluation, Playground, Teacher Parents meeting, Hostel and Canteen, Uniform cloth supply and stitching are on Factor 2.

Factor 3 is a combination of four variables such as Ayah (servants), Vaccine and health drinks supply, Supply of belt, tie, shoes, socks, bag and identity cards and Auditoriums.

Factor 4 is a combination of three variables Individual attention, Library and laboratory facilities and sanitary facilities.

Factor 5 represents only one variable that is Teacher control over students.

These factors are extracted from the original 22 variables using rotated component matrix method in Factor analysis.

SUGGESTION

For the overall development of education and strengthening of education through Central Board of Secondary Education schools in Tamil Nadu, a few suggestions are offered.

- The infrastructure in Central Board of Secondary Education schools should be strengthened.
- Playground, spacious classroom and drinking water should be provided.
- Academic training for students should be improved for innovative and better knowledge gaining of the students.
- Good hostel and canteen facilities should be provided inside the campus.
- Schools should improve their Learning environment, Holistic wellbeing, Innovative approach for future, societal integration and Advertisement to get attention among other schools.
- Schools should develop and encourage social responsibilities.

CONCLUSION

Education is not natural resources or natural wealth, which distinguishes an affluent society from a backward one – it is the accumulation and development of the knowledge resource. Education was never as important a utility as it is today. In order to satisfy needs and wants of the consumer effectively, a marketing orientation be applied to the conceptualization, design and delivery of the education service.

This is even more imperative in a developing country like India where resources are scarce and a better match between needs and service provided is to be attained. Therefore, schools should plan the service offer well and deliver it effectively, and need to understand the behaviour of the students.
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A STUDY ON CUSTOMER PERCEPTION AND SATISFACTION TOWARDS SELECTED ORGANIZED RETAIL STORES IN TIRUCHIRAPPALLI AND THANJAVUR DISTRICTS

Dr. M. Usha Rani26

ABSTRACT

Retailing occupies a pre-eminent position in all economies. Retailing includes all those activities that involve the sale of goods and services to ultimate consumers for personal, family and household use. For a strong and consistently growing economy, a well-organized and efficient retail sector is necessary. Most of the developed and even emerging economies had adopted the organized retail long ago and percentage share of organized retail in total retailing has increased over the years. Customers’ satisfaction is one of the main objective of every business. Customer satisfaction is widely recognized as a key pressure in the formation of consumers’ future purchase intentions. Satisfied customers are also likely to tell others of their favorable experiences and thus engage in positive word of mouth advertising. The present study aims to investigate the customer perception and satisfaction towards organized retail stores in Tiruchirappalli and Thanjavur districts. The objectives are to identify the determinants of customer satisfaction in the organized retail stores in Tiruchirapalli and Thanjavur districts, to identify the expectation level of the customers those who are purchasing in organized retail stores and to study about the future prospects of organized retail stores from these districts. Customer satisfaction is a significant subject for most marketers. A total of 900 questionnaires have been randomly distributed to retail customers. Using descriptive statistics method, cross table analysis, chi-square test and correlation method are applied for the research study. This analysis suggests the degree of customer perception and satisfaction in terms of services provided by organized retail stores in Tiruchirappalli and Thanjavur districts.

KEYWORDS

Customer, Perception, Satisfaction Retailing and Organized Retail Stores etc.

INTRODUCTION

Retail in India: Present

At present the Retail industry in India is accelerating. Though India is still not at an equal pace with other Asian counterparts, Indian is geared to become a major player in the Retail Market. The fact that most of the developed nations are saturated and the developing ones still not prepared, India secures a great position in the international market. Also with a highly diverse demography, India provides immense scope for companies bringing in different products targeting different consumers.

According to the Global Retail Development Index, India is positioned as the foremost destination for Retail investment and business development. The factor that is presently playing a significant role here is the fact that a large section of Indian population is in the age group of 20-34 with a considerably high purchasing power; this has caused the increase in the demand in the urban market resulting in consistent growth in the Retail business and though the metros and other tier 1 cities continue to sustain Retail growth, the buzz has now shifted from these great cities to lesser known ones. As the spending power is no longer limited to metros, every tier 2 city in the country has a good market for almost every product or service. Due to this, tier 2 cities like Chandigarh, Coimbatore, Pune, Kolkata, Ahmedabad, Baroda, Hyderabad, Cochin, Nagpur, Indore, Trivandrum etc. provides a good platform for a brand to enter Indian market. However, there are a few precautions for every brand that explores Indian market. As Indian consumers are very curious and have a broad perspective, they respond well to a new product or concept and there are very fair chances of a brand surviving well, but every Indian consumer is it an Urbanite or a small town dweller needs a feeling of value for money. Although labelled as tight fisted, Indian consumers are great spenders once they realize that they are getting value for their money. Also new product /service concepts from the western world are better adopted first by the urban Indians, the smaller markets respond well to the need based retailing rather than luxury concepts. As the Indian retailing is getting more and more organized various retail formats are emerging to capture the potential of the market.

- Mega Malls,
- Multiplexes,
- Large and small supermarkets,
- Hypermarkets,
- Department stores are a few formats which flourishing in the both big and small regional markets.

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As the major cities have made the present retail scenario pleasant, the future of the Indian Retailing industry lies in the rural regions. Catering to these consumers will bring tremendous business to brands from every sector. However, as the market expands, companies entering India will have to be more cautious with their strategic plans. To tap into the psyche of consumers with different likes and dislikes and differing budgets a company has to be well prepared and highly flexible with their product and services. In this regard, focusing on developing each market separately can save a brand from many troubles.

RETAIL STORES

The retail outlet is a store or place which is instrumented in reaching the goods and services to end user or an ultimate customer. In other word, we can say that it implies a first-hand transaction with the customer. We can define Retail outlet as the buying and selling of goods and services. In other words, we can also define it as the timely delivery of goods and services demanded by consumers at price that are competitive and affordable. In a retail outlet there is a transaction between the seller and consumer for personal consumption. There are many types of retail outlet some are big with a variety of goods and some are small, generally they are in fixed locations (such as inside the shopping mall or in an independent storefront of the street Kirana store). Now retail outlet has an online store as well. In Indian retail sector contributes 10% of Indian GDP, 8% of the employment 5% compound annual growth rate. Today in a retail stores people get variety of product with many brands in a single store, the scenario changes before only if an outlet is for grocery people can only be able to buy the only grocery product, but today's shopper has a choice to buy all their household good in a single outlet of different goods from different outlet.

STATEMENT OF PROBLEM

At present, the organized retail stores are taking part in our economic growth. It is playing a wonderful role in our retail sector. Customer perception and satisfaction are not measurable terms. The customer behaviour is changed according to the needs and expectations of the persons. Nowadays, the retail stores is being a part in our life. These stores are rendered desired goods under one roof and also influence the customers through the various factors (convenient working hours, cleanliness, variety, safety measures, parking facilities, recreational facilities, etc.). The Tiruchirappalli and Thanjavur are the most popular districts in the Tamil Nadu. Hence, the research study focuses on customer perception and satisfaction regarding retail stores in these geographies.

SCOPE OF STUDY

The research study deals with the perception and the satisfaction level of the customers regarding retail store in Tiruchirappalli and Thanjavur Districts. Tiruchirappalli and Thanjavur is rice bowl of Tamil Nadu and stands unique from time immemorial for its agricultural activities and are rightly acclaimed as the Granary of the South India. These cities are upgraded in the retail stores and our economic growth. The outcome of the study will help to the retailers to understand the customer’s perception and also to serve them in a better way.

OBJECTIVES OF STUDY

- To analyse the factors influencing the customers to prefer the retail stores in Tiruchirappalli and Thanjavur Districts.
- To identify decisive factors which can help these retail stores to retain the existing customers.

METHODOLOGY USED

The researcher has adopted judgment sampling method from the collected information of 750 respondents (375 respondents from the Tiruchirappalli District and 375 respondents from the Thanjavur District). The researcher was selected five organized retail stores in each District. From each retail store, 75 respondents have taken for research study to know the perception and satisfaction level of the customers regarding these stores in Tiruchirappalli and Thanjavur districts.

REVIEW OF LITERATURE

Singh et. al (2005), have quoted ten secrets to successful mall operations listed as Planning, branding, marketing, promotion, leasing, maintenance, security, hospitality, and report keeping. It was also mentioned in the article that global retail giants have learnt to deal with cultural and political obstacles but India has to have India specific way to come up with high standards retailing. It was also discussed India cannot follow Walmart and Tesco business pattern as the applicability of such models in Indian environment is little difficult.

E. Thamarai Selvan and N. Vallikkannu (2006), in the article entitled, ‘Customer and Prospects Analysis for Departmental Stores’ explained that knowledge of shopping behaviour enable the retailers in offering superior value to customers which results in loyalty. This study was basically about purchasing behaviour of the customers and factors influencing the purchase. Customers
analysed were 100 female respondents from the age group of 26 to 40 as they were the decision maker for the majority of purchases. Finding demonstrated that homemakers shop more in the weekends than in weekdays. They found the prices to be moderate. The majority of purchases were for groceries and POP did not influence the customers to a great extent. Pester power played a very vital role in the purchasing ability of the customer. The varieties of products were found to be less in most of the departmental stores. Only the regular consumers bought branded products. In some of the department stores, the small outlet owners also purchased for further resale of the products.

Purohit and Kavita (2007) according to their studies that the traditional retailers are not very much clear about the consequences of the modern retailing the traditional retailers are neutral or undecided, modern retailing will cut the profit margin of the traditional retailers; the modern retailing will lead healthy competition in the market, modern retailing will reduce the sales volume of the traditional retailers and traditional retailers should improve customer care services in the era of modern retailing.

Shaan Shabnam (2007) it is important to highlight that in organized retail, the status of employment is much better than that in unorganized retail. Hence it is definitely desirable that more and more labour gets absorbed in this sector of retail. In the current context, the labour employed in unorganized retail stands unfit for finding employment in organized retail. If appropriate training and skills could be imparted to them, it is possibly feasible to offer better forms of employment for them in the organized retail sector. The status of employment is much better than that in unorganized retail. Hence it is definitely desirable that more and more labour gets absorbed in this sector of retail. In the current context, the labour employed in unorganized retail stands unfit for finding employment in organized retail. If appropriate training and skills could be imparted to them, it is possibly feasible to offer better forms of employment for them in the organized retail sector.

Sinha kumar Piyush and Sanjay Kumar Kar (2007) in the article entitled, ‘An Insight into the Growth of New Retail Formats in India’ described that the Indian retail sector is going through a transformation and this emerging market is witnessing a significant change in its growth and investment pattern. Both existing and new players are experimenting with new retail formats. Currently two popular formats-hypermarket and supermarket are growing very fast. They pointed out that apart from the brick-mortar formats; brick-click and click-click formats are also increasingly visible on the Indian retail landscape. They stressed that consumer dynamics in India is changing and the retailers need to take note of this and formulate their strategies and tactics to deliver superior value to the consumer.

Singh and Tripathi (2008) reported a substantial decline in the sales performance of small shops and ultimate closure of this unorganized retail. However, small shops in the superior areas and in the inner streets were comparatively less affected NY malls. For daily requirements and groceries. Customers were still relying on small shops only. Research also revealed that retailers having a small capital base, i.e. up to 2 lashes and 2-6 lakhs were highly affected by malls.

Joseph, Soundararajan, Gupta, & Sahu, (2008) concluded that unorganized retailers in the locality of organized retailers were adversely affected in terms of their volume of business and profit. According to him, with the emergence of organized outlets, consumers gained through the availability of better quality products, lower prices, one-stop shopping, choice of additional brands and products, family shopping, and fresh stocks. According to the report of ICRIER “organized and unorganized retail not only coexist but also grows substantially. “The reason behind that the retail sector is gradually growing on an overall basis, hence the benefit of this growth goes to both the sectors.

T-Test

<table>
<thead>
<tr>
<th>Factors</th>
<th>Districts</th>
<th>Mean</th>
<th>S.D</th>
<th>Statistical inference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Facilities</td>
<td>Tiruchirappalli (n=375)</td>
<td>30.68</td>
<td>5.036</td>
<td>T=-3.259 D.F.=748 .001&lt;0.05 Significant</td>
</tr>
<tr>
<td></td>
<td>Thanjavur (n=375)</td>
<td>31.93</td>
<td>5.400</td>
<td></td>
</tr>
<tr>
<td>2. Influential</td>
<td>Tiruchirappalli (n=375)</td>
<td>40.01</td>
<td>6.696</td>
<td>T=-2.985 D.F.=748 .003&lt;0.05 Significant</td>
</tr>
<tr>
<td></td>
<td>Thanjavur (n=375)</td>
<td>41.44</td>
<td>6.390</td>
<td></td>
</tr>
<tr>
<td>3. Ambience</td>
<td>Tiruchirappalli (n=375)</td>
<td>34.79</td>
<td>7.063</td>
<td>T=-6.95 D.F.=748 .487&gt;0.05 Not significant</td>
</tr>
<tr>
<td></td>
<td>Thanjavur (n=375)</td>
<td>35.08</td>
<td>3.641</td>
<td></td>
</tr>
<tr>
<td>4. The Medium used for Advertising offers / Schemes</td>
<td>Tiruchirappalli (n=375)</td>
<td>24.76</td>
<td>6.137</td>
<td>T=3.625 D.F.=748 .000&lt;0.05 Significant</td>
</tr>
<tr>
<td></td>
<td>Thanjavur (n=375)</td>
<td>26.18</td>
<td>4.495</td>
<td></td>
</tr>
</tbody>
</table>
Findings: The above table reveals that there is a significant difference the respondents of Tiruchirappalli and Thanjavur Districts and their overall customer satisfaction towards selected organised retail stores. Hence, the calculated value is lesser than the above table value (p<0.05). So the research hypothesis is accepted and the null hypothesis is rejected.

Chi-square Test

Table-2: The Association between the Respondents Time Spent on Purchase per Visit and Their Overall Customer Satisfaction towards Organised Retail Shops in Tiruchirappalli and Thanjavur Districts

<table>
<thead>
<tr>
<th>Retail Stores</th>
<th>Number of Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1yr (n=162)</td>
</tr>
<tr>
<td>FSM</td>
<td>18(11.1%)</td>
</tr>
<tr>
<td>Kavery</td>
<td>20(12.3%)</td>
</tr>
<tr>
<td>Chinthamani</td>
<td>24(14.8%)</td>
</tr>
<tr>
<td>Spenser</td>
<td>18(11.1%)</td>
</tr>
<tr>
<td>Reliance Mart</td>
<td>28(17.3%)</td>
</tr>
<tr>
<td>Oriental Super Market</td>
<td>12(7.4%)</td>
</tr>
<tr>
<td>Punniya Moorthi Store</td>
<td>11(6.8%)</td>
</tr>
<tr>
<td>Nilgris</td>
<td>16(9.9%)</td>
</tr>
<tr>
<td>Ever Green Department Store</td>
<td>6(3.7%)</td>
</tr>
<tr>
<td>Acchi Department store</td>
<td>9(5.6%)</td>
</tr>
</tbody>
</table>

Sources: Compiled from Primary Data

Findings: From the table-2 it is seen that there is a significant association between the respondent’s time spent on purchase per visit and their overall customer satisfaction towards organised retail shops in Tiruchirappalli and Thanjavur Districts. Hence, the calculated value is lesser than the table value (p<0.05). So the research hypothesis is accepted and the null hypothesis is rejected.

FINDINGS

- Over all result shows that 45.3% of the respondents had 4 to 5 members in their family from Tiruchirappalli and Thanjavur districts.
- Of the total, 36% of the respondents have two earning members in their family from Tiruchirappalli and Thanjavur districts.
- It shows that 47.9% of the respondents had an income level in the range of Rs. 25,001 to 50,000 from both districts (Tiruchirappalli and Thanjavur).
- The study shows that, 33.1% of the respondents were purchasing the products from the organized retail stores in the period of 4 to 6 years in Tiruchirappalli and Thanjavur districts.
- One Half (55.3%) of the respondents spent amount in the range of Rs. 1001 to 5000 for the purchase of products per visit towards organized retail stores from Tiruchirappalli and Thanjavur districts.
- It denotes that 34.5% of the respondents were purchasing provisions and groceries products through retail stores from Tiruchirappalli and Thanjavur districts.
- From the table-1, it is clear that, 42.1% of the respondents spent more times while shopping in the section of provisions and groceries from these organized retail stores from Tiruchirappalli and Thanjavur districts.
The data shows that 56.5% of the respondents agreed that the above selected organized retail stores have sufficient space to move freely in their shop from the Tiruchirappalli and Thanjavur districts.

It was understood that 427 out of 750 respondents (56.9%) agreed about the product shelf of the organized retail stores from Tiruchirappalli and Thanjavur districts.

The Majority (63.5%) of the respondents influenced by the affordable price factors towards organized retail stores from both districts of Tiruchirappalli and Thanjavur.

Out of 750 respondents, 402 respondents agreed the above factor of fresh items available towards organized retail stores from Tiruchirappalli and Thanjavur districts.

It is observed from the table that 405 of the respondents agreed the above statement of variety of goods towards organized retail shops from both rice bowls districts (Tiruchirappalli and Thanjavur).

2/4th (56.4%) of the respondents agreed with the service of exhibition of the products towards retail stores from Tiruchirappalli and Thanjavur districts.

Among 750 respondents, 376 (Half) of the respondents agreed that, the retail traders explains their product’s features at clearly to their customers from both districts Tiruchirappalli and Thanjavur.

Among 750 respondents, 392 (52.3%) of the respondents agreed that the retail shoppers are having wonder technique for persuading the customers to buy the products through retail shops from Tiruchirappalli and Thanjavur districts.

SUGGESTIONS

For Tiruchirappalli Retail Stores

- The organized retail stores should provide entertainment and amusement programmers to delight the customers within the stores, especially for customers with kids. This one can increase the amount of time the customers spend at the stores, and might become a reason for the increase in sales volume.
- Nowadays, most of the respondents are seeking the sufficient and safety, parking facility for their vehicles during shopping honors. Hence, the retail stores should provide adequate parking place with security guard regarding retail stores in Tiruchirappalli Thanjavur districts.
- The retail stores should take steps to cover the illiterate people.
- The retailer shoppers should put more importance on the ambience factors such as Ventilation, Colorful lighting, Ceiling, Decoration, uninterrupted power supply, Drinking water, hygienic toilets etc. This can also increase the customer satisfaction towards retail shops.
- The management of retail stores should select appropriate media for advertisement. If planned email, SMS, social networking sites, distribution of leaflets, wall writings, and display at entry points can be utilized for advertisement.
- According to the study advertisement influence the customer largely, so effective advertisement should be designed, developed and implemented in such a way that it is more attractive and informative.

For Thanjavur Retail Stores

- The retailers should properly train the shop keeping crew a back office staff to maintain a good rapport with the consumers. The store personnel should intimate the shoppers about the new arrivals of merchandise.
- The retailers should have a proper feedback mechanism in place, wherein the customers can offer their feedback regarding their shopping experiences, and how the same can be improved this can reduce the grievances of the customers.
- Window display is a wonderful medium to advertise the sales product. Hence, the retail stores can use the window display medium to create the admire towards the young shoppers.
- Adequate light facility and decorated ceiling of wall will also create positive perception towards the customers; the retail stores management can take the necessary steps to attract the customers.

CONCLUSION

This research study is mainly focused on the customer’s perception and satisfaction towards organised retail stores in Tiruchirappalli and Thanjavur Districts. Tiruchirappalli and Thanjavur are rice bowls of Tamil Nadu. Undoubtedly, the organised retail stores are an important players in India. All goods and services are available under one roof by the participation of the retailers. They are providing lots of opportunities both for newcomers and existing players. Nowadays, the customers are not satisfied not only by the quality of services. The customers are expecting lot of various influential factors such as ambience, sales quality of performance, Quality of Staff, etc. Hence, the organised retail stores have to be successful, the management must be well informed about the extension activities of retail stores. This requires continual measurement and identification of areas that acts as cues for customer perception and satisfaction. If it is so, the retailers will have a bright future in India like developed countries.
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RISK AND RETURN ANALYSIS OF LARGE, MEDIUM & SMALL CAPITALIZATION INDICES: EVIDENCE FROM BOMBAY STOCK EXCHANGE

Dr. Pramod Kumar Patjoshi

ABSTRACT

In the present economic development, interest rates are deteriorating and oscillation in the stock market has put investors in misperception. Therefore, it found complications to take pronouncement on investment. This is principally, since investments in stock market are risky in nature and investors have to contemplate numerous factors before investing in investment opportunities. These factors comprise risk, return, volatility of financial securities and liquidity. The foremost objective of this research is risk and returns analysis of different capitalized indices of Bombay Stock Exchange i.e. BSE large cap, BSE midcap, and BSE small cap. The risk and return have been scrutinized by using the daily closing value of all the indices. The study is based on secondary data. The data for the analysis has taken from the BSE website over a period of 10 years from April 1, 2006 to March 31, 2016. For fulfilling the above objectives and for testing hypothesis, different methods like correlation, descriptive statistics and t test have been adopted.

KEYWORDS

Large cap, Mid Cap, Small Cap, Indices, Risk, Return, Risk-return Relationship, BSE Sensex etc.

INTRODUCTION

In the age of growing business environment in emerging economies, stocks markets play a significant role and it turn as indicator reflecting the performance of the country's economic condition. Stock market is a place where trading of financial securities takes place. Trading on stock market involves high degree of unpredictability; prices vary within minutes and are determined by the demand and supply of financial securities in a given time. The buyers and sellers buy and sell different financial securities in the stock market, which happenstance to complete their financial objectives from their investments. Investments in stock market involve future uncertainties, which is the risk has to tolerate by all the investors for the predictable returns. Consequently, investments in stock market encompass both risks in addition to returns. The investors have a high worried in the stock market to undertake greater returns. In the modern condition, researches also are fascinating extreme interest on stock market by using well-organized measures, which in turn will be beneficial for investors over their market analysis. The stock market grasps a dynamic apartment in Indian economy. The Bombay Stock Exchange (BSE) is one of the leading exchanges in India and World as well in terms of superiority and improvement of technology.

Any balanced investor, before investing in the financial securities, examines the risks connected with individual stock. The authentic returns generate from a stock may disagree from the predictable returns and the risks rearticulated in terms of inconsistency of return or probability of loss. The risk may be caused by numerous factors. Investor in overall would like to investigate the risk factors in a systematic way, which helps the investor to strategy for frame out the portfolio in such a fashioning an attempt to minimize the risk accompanying with the investment. The Bombay Stock Exchange (BSE) is one of the primogenital exchanges in India and World as well in terms of superiority and advancement of technology.

The S&P BSE Sensex (S&P Bombay Stock Exchange Sensitive Index) also termed, as BSE 30 or merely the Sensex, is a free-float market-weighted stock market index of 30 deep-rooted and financially comprehensive companies listed on Bombay Stock Exchange. The 30 component companies, which are approximately of the main and greatest vigorously traded stocks, are illustrative of numerous industrial sectors of the Indian economy. The S&P BSE Large Cap is intended to characterize the top 70% of total market cap of the S&P BSE All Cap. The index is considered to represent the large-cap segment of India's stock market. BSE presented the new index succession called 'BSE MID-Cap' index and 'BSE Small-Cap' index to track the performance of companies with moderately smaller market capitalization. BSE-500 Index - characterizes more than 93% of the listed universe. Companies with large market capitalization bias the movement of BSE-500 index. This demanded structure of a discrete pointer to capture the trend in companies with lower market capitalization. Over the years, BSE Mid-Cap and BSE Small-Cap indices have proven to be a great utility to the investing community. This study takes into consider the daily closing prices of BSE Sensex as well as BSE Large cap, BSE Mid cap and BSE Small cap indices to analyze the risk and returns.

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LITERATURE REVIEW

Dr. P. Vikraman & P. Varadharajan (2009), the objective of this research paper mentioned that maximizing return could follow only at the cost of experiencing risk. Though selecting the firm for investment, the investor has to contemplate in cooperation the return probable and the risk complex. The experiential evidence displays that generally there is a high correlation between risk and return over longer periods.

Risk return trade-off is the significant deciding factor. Beta and several statistical models also used to test the association between the risk and return. Bhunia (2012) measured the Capital asset pricing model as measurement tool and established that there is no competence demonstrated in Indian market. Ratna (2013) examined the performance of IT stocks with banking stocks and the different statistical tools used for examining the hypothesis with descriptive analysis and t-test, suggested to hold stocks to accomplish the optimistic consequences.

Setiawan et. Al, (2013) analyzed the performance of Syariah stocks with orthodoxy stocks listed on Indonesia. This study used Risk-Adjusted Return dimensions. They originated that there is no significant difference on risk and returns, measured by weekly return, standard deviation and beta, between both Syariah and orthodoxy stocks. Additionally, they also appraised the performance of both Syariah and orthodoxy stocks portfolio. Ansar et. al (2014), established “A-Y Model” to find out the performances through risk, return of the portfolio, and investigate during the bullish and the bearish market. The consequences of the model designates that there is no reliable performance exist between the portfolio expected return and board risk.

Sharma et. al. (2012) scrutinizes the risk return trade off the stocks listed in the stock exchanges of South Asia. This study aimed to find out, the expected return and risk connected over time by using the descriptive statistics. The study found that high returns and rational risk complicated in those South Asian countries. Shanmugasundram, G. and Benedict, D. John (2013) deliberate risk influenced in the Indian Sectoral indices and Nifty. They found risk association in varied with time. They had designated five Sectoral indices from NSE and Nifty Index for 8 years from 2004 to 2012. For the study, t-Test and ANOVA carried out to find out the risk alteration between the sectors and Nifty.

P. Swarna Lakshmi, (2013) analyzed the volatility pattern in different Sectoral Indices in Indian stock market utilizing Autoregressive Conditional Heteroscedasticity, an econometric model. This study was conducted for the period starting 2008 until 2012 of eleven Sectoral Indices from NSE. Researcher determined the reality sector has uppermost volatility than other sector; however, the banking sector has bottommost volatility for the period. The risk and return connection in Latin American, Brazilian, and Columbian equity markets for which quarterly data were measured over the period (Tsuji, 2014).

OBJECTIVES OF STUDY

The objectives of this study are to analyze the risk return of BSE Sensex as well as small, medium, and large cap indices of Bombay stock Exchange. The purpose is to assist the investors to understand the risk return trade off indices at Bombay stock Exchange. The objectives of the study are:

- To find out risks and returns of BSE Sensex as well as BSE Large cap, BSE Mid cap and BSE Small cap indices of last ten years.
- To analyze the relationship between risks& returns of Sensex as well as Large, Medium, and Small cap indices of BSE.

HYPOTHESIS OF STUDY

Keeping the objectives in view, the hypothesis framed for the study is:

- Ho: There is no significant difference between returns of BSE Large cap, BSE Mid cap and BSE Small cap indices.
- Ha: There is a significant difference between returns of BSE Large cap, BSE Mid cap and BSE Small cap indices.

METHODOLOGY AND TESTS USED IN STUDY

In this study different BSE Sensex as well as BSE Large cap, BSE Mid cap and BSE Small cap indices have been used to examine the risk return trade off. The risks and returns have been scrutinized by using the daily closing value of all the indices. The study is based on secondary data. The data for the analysis has taken from the BSE website over a period of 10 years from April 1, 2006 to March 31, 2016. The main objective of the study is to analyze the risk-return accompanying sample indices. For fulfilling the above objectives and for testing hypothesis, different methods like correlation, descriptive statistics and t test have been adopted.
DATA ANALYSIS AND INTERPRETATION

Risks and Returns Analysis of Different Indices

Table-1 summarizes the statistical results of daily market returns of BSE Sensex as well as BSE Large cap, BSE Mid cap and BSE Small cap indices from April 1, 2006 to March 31, 2016 with the help of descriptive statistics. 

<table>
<thead>
<tr>
<th>Particulars</th>
<th>BSE Sensex</th>
<th>BSE Large cap</th>
<th>BSE Mid cap</th>
<th>BSE Small cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.0316</td>
<td>0.0315</td>
<td>0.0267</td>
<td>0.0177</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1.5676</td>
<td>1.5540</td>
<td>1.4964</td>
<td>1.5230</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>8.1803</td>
<td>8.2072</td>
<td>7.2776</td>
<td>5.5046</td>
</tr>
<tr>
<td>Skewness</td>
<td>0.1041</td>
<td>0.0052</td>
<td>-0.8603</td>
<td>-0.9409</td>
</tr>
<tr>
<td>Minimum</td>
<td>-11.6044</td>
<td>-11.8182</td>
<td>-12.0764</td>
<td>-10.8357</td>
</tr>
<tr>
<td>Maximum</td>
<td>15.9900</td>
<td>15.6829</td>
<td>11.1113</td>
<td>8.6601</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

It found from above table throughout the study period i.e. from April 1, 2006 to March 31, 2016, all indices showed positive average daily returns. The average daily returns recorded highest of 0.0316 in case of BSE Sensex, however it found lowest of 0.0177 in the case of BSE Small cap. The average daily return of BSE Large cap is found to be 0.0315, which is more as compare to BSE Mid cap and BSE Small cap, while Sensex average return is identical that of BSE Large cap. Consequently, from the above undoubtedly propose that average daily return of BSE Sensex is higher than that of all capitalization indices returns over the study period. In the case of the standard deviation of BSE Sensex is uppermost as compare to all capitalization indices returns. Therefore, it indicates that BSE Sensex incorporates extreme risk than that of all other indices returns, while BSE Mid cap return encompasses smallest risk. The daily returns distribution of all sample indices returns are found to be negatively skewed. All indices returns are observed to be leptokurtic (peaked) by nature i.e. it is lowest in case of BSE Sensex and more peaked in case of BSE Small cap.

Correlation between Different Indices Returns

The Table-2 expounds the correlation matrix for daily returns of daily market returns of BSE Sensex as well as BSE Large cap, BSE Mid cap and BSE Small cap indices from April 1, 2006 to March 31, 2016.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>BSE Sensex</th>
<th>BSE Large cap</th>
<th>BSE Mid cap</th>
<th>BSE Small cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSE Sensex</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSE Large cap</td>
<td>0.1821</td>
<td>1.0000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSE Mid cap</td>
<td>0.8382</td>
<td>0.2103</td>
<td>1.0000</td>
<td></td>
</tr>
<tr>
<td>BSE Small cap</td>
<td>0.7557</td>
<td>0.2006</td>
<td>0.9557</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the Table, it observed that daily returns of BSE Sensex are positively correlated with that of all capitalization indices returns. The BSE Sensex returns is extremely correlated with that of BSE Mid cap, where as it has recorded least correlation with that of BSE Large cap.

Analyst-Test

Table-3: t-Test: Paired of BSE Large cap and BSE Mid cap

<table>
<thead>
<tr>
<th>Particulars</th>
<th>BSE Large cap</th>
<th>BSE Mid cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.0316</td>
<td>0.0267</td>
</tr>
<tr>
<td>Variance</td>
<td>2.4155</td>
<td>2.2400</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.2102</td>
<td>0.4506</td>
</tr>
<tr>
<td>t Stat</td>
<td>0.1243</td>
<td>1.6455</td>
</tr>
<tr>
<td>P(T&lt;=t) one-tail</td>
<td>0.4506</td>
<td>0.09011</td>
</tr>
<tr>
<td>t Critical one-tail</td>
<td>1.9609</td>
<td>1.6455</td>
</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
<td>1.9609</td>
<td>1.6455</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Table 3 summarizes the results of daily returns of BSE Large cap as well as BSE Mid cap from April 1, 2006 to March 31, 2016 with the help of t-test. The result for the average daily returns provides that mean of BSE Mid cap daily returns is less as compared to that of the BSE Large cap; leading to the conclusion that mean daily returns of BSE Large cap has performed better. On the other hand, lower standard deviation for BSE Mid cap daily returns as compared to BSE Large cap daily returns clearly indicates that former is more consistent than the latter. Again, the correlation value is 0.2102 represents positive correlation between both the indices. The p-value of 0.4506, which is more than 0.05, indicates a there is no significant difference in the daily returns between BSE Large cap and BSE Mid cap daily returns is less as compared to that of the BSE Large cap. Therefore, the null hypothesis (there is no significant difference in the absolute value of daily returns between both the indices. The p-value of 0.3628 in case of daily returns BSE Large cap and BSE Small cap indicates there is no significant difference in the absolute value of daily returns between BSE Large cap and BSE Small cap at 5% degree of significance. Therefore, the null hypothesis (there is no significant difference between returns of BSE Large cap, BSE Mid cap and BSE Small cap indices) is accepted.

Analysisist-Test

**Table-4: t-Test: Paired of BSE Large cap and BSE Small cap**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>BSE Large cap</th>
<th>BSE Small cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.0316</td>
<td>0.0177</td>
</tr>
<tr>
<td>Variance</td>
<td>2.4155</td>
<td>2.3204</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.2006</td>
<td></td>
</tr>
<tr>
<td>t Stat</td>
<td>0.3509</td>
<td></td>
</tr>
<tr>
<td>P(T&lt;=t) one-tail</td>
<td>0.3628</td>
<td></td>
</tr>
<tr>
<td>t Critical one-tail</td>
<td>1.6455</td>
<td></td>
</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
<td>0.7257</td>
<td></td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>1.9609</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 4 encapsulates the results of daily returns of BSE Large cap as well as BSE Small cap from April 1, 2006 to March 31, 2016 with the help of t-test. The above table clearly shows that mean daily returns is higher in the case of BSE Large cap compared to that of BSE Small cap over the period of study, meaning thereby BSE Large cap daily return has achieved better than BSE Small cap. However, the BSE Large cap daily returns have more variation than that of BSE Small cap, since variance shows higher value of BSE Large cap than BSE Small cap. The correlation value is 0.2006 represents positive correlation between both the indices. The p-value of 0.3628 in case of daily returns BSE Large cap and BSE Small cap indicates there is no significant difference in the absolute value of daily returns between BSE Large cap and BSE Small cap at 5% degree of significance. Therefore, the null hypothesis (there is no significant difference between returns of BSE Large cap, BSE Mid cap and BSE Small cap indices) is accepted.

Analysisist-Test

**Table-5: t-Test: Paired of BSE Mid cap and BSE Small cap**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>BSE Mid cap</th>
<th>BSE Small cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.0267</td>
<td>0.0177</td>
</tr>
<tr>
<td>Variance</td>
<td>2.2400</td>
<td>2.3204</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.9557</td>
<td></td>
</tr>
<tr>
<td>t Stat</td>
<td>0.9875</td>
<td></td>
</tr>
<tr>
<td>P(T&lt;=t) one-tail</td>
<td>0.1618</td>
<td></td>
</tr>
<tr>
<td>t Critical one-tail</td>
<td>1.6455</td>
<td></td>
</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
<td>0.3235</td>
<td></td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>1.9609</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 5 recapitulates the results of daily returns of BSE Mid cap as well as BSE Small cap from April 1, 2006 to March 31, 2016 with the help of t-test. The above table clearly shows that mean daily returns is higher in the case of BSE Mid cap compared to that of BSE Small cap. On the contrary, the variance of BSE Mid cap daily returns is less than BSE Small cap daily returns, which reveals that there is less variation in BSE Mid cap daily returns in comparison to BSE Small cap daily returns. From the Table, the correlation between BSE Mid cap daily returns and BSE Small cap daily returns is 0.9557, which is clear that there is a highly significant correlation existing between the BSE Mid cap daily returns and BSE Small cap daily returns. The p-value of 0.1618 in case of BSE Mid cap daily returns and BSE Small cap daily returns indicates there is no significant difference between two indices at 5% degree of significance. Therefore, the null hypothesis (there is no significant difference between returns of BSE Large cap, BSE Mid cap and BSE Small cap indices) is accepted.
CONCLUSION

The Bombay Stock Exchange (BSE) is one of the primogenital exchanges in India and World as well in terms of superiority and advancement of technology. There are so many indices in Bombay Stock Exchange. This study involves BSE Sensex as well as BSE Large cap, BSE Mid cap and BSE Small cap indices to analyze the risk and returns. It clear form above that the average daily returns recorded highest in case of BSE Sensex and lowest in the case of BSE Small cap. It also observed that daily returns of BSE Sensex are positively correlated with that of all capitalization indices returns. The BSE Sensex returns is extremely correlated with BSE Mid cap, where as it has recorded least correlation with that of BSE Large cap. In comparative risk return analysis of three-capitalization indices BSE Large cap have the highest mean return and BSE Small cap has the lowest whereas BSE Large cap involves high risk and BSE Small cap involves less risk. It has found from the t test that there is no significant difference between returns of BSE Large cap, BSE Mid cap and BSE Small cap indices, therefore the null hypothesis (there is no significant difference between returns of BSE Large cap, BSE Mid cap and BSE Small cap indices) is accepted.

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A STUDY ON RELATIONSHIP STRATEGY IN BANKING SECTORS
WITH SPECIAL REFERENCE TO SBI AND ICICI IN TIRUCHIRAPPALLI DISTRICT

Dr. S. Ramya²⁸ Dr. K. Rajam²⁹

ABSTRACT

The individual customer information must be used to develop a long-lasting customer-supplier relationship. In other words, a marketing or other type of strategy must be implemented which truly differs from a strategy which merely focuses on the stimulation of transactions and it requires other competencies. This study consists of elements of relationship strategy like Hospitality, Marketing Strategy, Understanding of customers, Grievance redress. These elements applied with the banking sectors.

KEYWORDS

Relationship, Marketing, Customers etc.

INTRODUCTION

Nowadays, many business organizations such as banks, insurance companies, and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination between IT and marketing fields to provide a long-term retention of selected customers. One significant issue for physical retail banking is shifting the peak periods—the need to reallocate idle or untapped branch resources during peak periods will have a positive impact on ROI. An integrated CRM system can help to shift these resources through equal access to customer information. The concept of the process driven workflow in a retail bank needs a CRM system, which can:

- Capture the customer’s data at the point of entry into the banking system – the branch. Ensure that all the information’s about customers and history is accessible – allowing the branch to foster the corporate identity of the organization.
- Provide quality information on each customer’s interaction that can then be accessed by senior management in timely reports, which allow more refined analysis than previously available.
- Enable bank marketing to easily identify customer’s contacts by market segment and target the correspondence to those customers most likely to acquire to the product or service offering.
- Ensure that the customer’s experience within the system is consistent across all channels.

The Banking CRM system also integrates the electronic customer identity into the organization. No longer is the face-to-face bank contact required to cross-sell or up-sell products. New product introductions, based on the current electronic customer profile, can be offered through the e-marketing channels.

SCOPE OF RESEARCH WORK

The scope of the present study is restricted to the Relationship Strategy in banking sectors. It covers only customers and employees of SBI and ICICI banks of Tirucirappalli District. These two banks are more powerful in the way of innovating methods used in banking operations and maintain relationship between the customers.

OBJECTIVES OF STUDY

- To study the relationship strategy elements (Hospitality, Marketing Strategy, Understanding the customers, Grievance redress) in banking sectors.

HYPOTHESES OF STUDY

- There is no significant association between SBI and ICICI of the respondents and their opinion about overall Relationship strategy elements.

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²⁹ Assistant Professor, Srimad Andavan Arts and Science College (Autonomous), Tamil Nadu, India, sramya.commerce@gmail.com
There is no significant difference between SBI & ICICI bank customers of the respondents and their opinion about overall Relationship strategy elements.

**SAMPLING PROCESS**

**Bank Employees**: The sample size was designed under the guidance of “Morgan Sample Determination” this is i.e. in Tiruchirappalli SBI branches have nearly 1400 employees and 200 employees in ICICI.

**Bank Customers**: However, the customers’ population is not obtaining clearly. So here, convenient sample size use for the customers.

**Table-1**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Selected Banks</th>
<th>Branches</th>
<th>Employees Population</th>
<th>Sample Employees</th>
<th>Sample Customers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SBI</td>
<td>44</td>
<td>1400</td>
<td>302</td>
<td>480</td>
<td>782</td>
</tr>
<tr>
<td>2</td>
<td>ICICI</td>
<td>11</td>
<td>200</td>
<td>132</td>
<td>279</td>
<td>411</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>434</td>
<td>759</td>
<td>1193</td>
</tr>
</tbody>
</table>

**LIMITATIONS OF STUDY**

The findings of the study are purely an outcome of the responses given by the sample respondents (both Customers and Employees of selected banks) of the two banks considered for the study. The study is made primarily based on responses from the Public sector (SBI) and another one is Private sector Bank (ICICI) functioning in Tiruchirapalli District.

**REVIEW OF LITERATURE**

Swartz and Iacobucci, (2000) determined that personal relationships with clients are important, as loyalty to service firms have been associated to clients’ personal relationships with a service provider. Therefore, service providers, including financial institutions like banks, should focus on building relationships with their clients to reap the long-term rewards of support and loyalty.

Shailey Minocha, Pat Hall and Liisa Dawson, (2000) fabricated the impact of Internet technology on customer relations and depicted that with growing competition in the global market, the focus of e-businesses is moving from customer acquisition to customer retention. Towards this, e-businesses, in addition to provide a usable site, are integrating Customer-relationship Management (CRM) strategies. These CRM strategies include personalization, providing consistent customer service through different communication channels of the e-businesses. These CRM strategies include personalization, providing consistent customer service across different communication channels of the e-business, meeting customers’ expectations with regards to product information, giving cues for trustworthiness (e.g. security seals, data protection assurances), etc. However, CRM strategies employed in American and West European market places are aimed at an individual’s (customer’s) self-interest and self-gratification and these might not be applicable in other countries, for example, in Asia where, loyalty to family and clan, delayed gratification, connections and networks of trust and obligations via relatives and extended family, are valued.

Joe Peppard, (2000) instructs that many financial service organisations are rushing to become more customer focused. A key component of many initiatives is the implementation of Customer Relationship Management (CRM) software. He has highlighted that most institutions take a narrow view of CRM and as such, benefits have been limited. While second generation CRM has emerged to embrace the total organisation (hence Enterprise CRM), success in general and it has still not been widespread. He has presented a framework, which is based on incorporating e-business activities, channel management, relationship management and back-office/front-office integration within a customer centric stratum.

M J Xavier, (2000) performed the study on branding and relationship management and its impact on the customer retention and depicted that the rise and fall of branding and its management is due to the perception of the customer based on their experiences. Though branding is an age-old concept, it assumed greater importance during the very marketing era when the brand owners had no direct contact with the ultimate consumers and vice versa. Brands became the embodiment of product value, customer relationship and company image. However, the downfall started with the emergence of the Internet era. He also concluded that emergence of CRM provides a new model of Business Equity that looks at issues in an integrated manner.

Dibb S., (2001) studied the impact of customer relationship on the bank’s performance and found that technological advances are changing the nature of marketing channels and altering how consumers shop. The changes are improving marketers’ ability to
capture and manipulate data, leading clear understanding of the customers. Financial institution is using these technological capabilities to fulfill the individual needs of customers. As the benefits of customer relationship management (CRM) are brought to the fore, this focus on the ‘segment of one’ has become a feature of the service offered by some banks and financial services institutions. Thus, he finally concluded that banks should treat the individual customer differently based on their different requirements.

G. Peevers, G. Douglas, D. Marshall, M.A. Jack, (2011) evaluated that the transaction confirmation is shown to be important to customers – whether by an SMS message or within the IVR telephone call itself. Customers judged the role of SMS for CRM as highly desirable after monetary transactions; they prefer the version of the IVR banking service that provides (out-of-band). SMS confirmation compared to one that does not – and they judged it significantly higher for quality. Therefore, the tools and facilities developed are useful in implementation of CRM strategy by the banks.

Joseph Vella, Albert Caruana, Leyland F. Pitt, (2012) told that the human behavior plays an important role in adoption of CRM strategy as the CRM is relationship between the employee and the customer and both are carrying human characteristics. The attitude of both employees and customers is responsible for the success or failure of the CRM strategy.

DATA ANALYSIS, RESULT AND DISCUSSION - BANK CUSTOMERS

Relationship Strategy: (RS)
- Hospitality (RS1)
- Marketing strategy (RS2)
- Understanding of customers (RS3)
- Grievance Redresses (RS4)

RS1.Hospitality
- May I help counter is helpful (RS1.a)
- Purified water is available in the bank premises (RS1.b)
- Counter token system provided. (RS1.c)
- User manual is provided for E-Banking products. (RS1.d)

Table-1.1: Relationship Strategy

<table>
<thead>
<tr>
<th>RS1</th>
<th>Bank</th>
<th>SDA</th>
<th>DA</th>
<th>N</th>
<th>A</th>
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<td>(100 %)</td>
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<td>480</td>
</tr>
<tr>
<td>RS1.b</td>
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<td>(3.1%)</td>
<td>(1%)</td>
<td>(37.9%)</td>
<td>(57.1%)</td>
<td>(100 %)</td>
</tr>
<tr>
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<td>SBI</td>
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<td>15</td>
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<td>316</td>
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<td>480</td>
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<td>(3.1%)</td>
<td>(2.5%)</td>
<td>(27.9%)</td>
<td>(65.8%)</td>
<td>(100 %)</td>
</tr>
<tr>
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<td>117</td>
<td>152</td>
<td>480</td>
</tr>
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<td>RS1.d</td>
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<td>(6.9%)</td>
<td>(3.1%)</td>
<td>(49.6%)</td>
<td>(39.6%)</td>
<td>(100 %)</td>
</tr>
<tr>
<td></td>
<td>SBI</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>117</td>
<td>152</td>
<td>480</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
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<td>0</td>
<td>5</td>
<td>117</td>
<td>152</td>
<td>480</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(.1%)</td>
<td>(1.8%)</td>
<td>(1.8%)</td>
<td>(41.9%)</td>
<td>(54.5%)</td>
<td>(100 %)</td>
</tr>
</tbody>
</table>

Sources: Primary Data

In both SBI and ICICI, majority of the surveyed customers strongly agree that ‘May I help you” counter is helpful to the customers. Half of the surveyed customers in both banks strongly agreed that the banks are providing purified water in the bank campus. 65.8 percent sample customer in SBI, strongly agreed that bank branches are using the counter token system for reducing the counter traffic. In ICICI, 55.6 percent customers strongly agreed the statement. One third of the SBI customers strongly agreed that the statement, ‘user manual is provided for E-Banking products’ but 6.9 percent customers disagree the statement. In ICICI 54.5 percent, customers strongly agree the same statement.
RS2. Marketing Strategy
- In banks’ information is available at correct time (RS2.a.)
- Used the attractive advertisement (RS2.b.)
- Innovative products introduced. (RS2.c.)

Table 1.2: RS2. Marketing Strategy

<table>
<thead>
<tr>
<th>RS2</th>
<th>Bank</th>
<th>SDA</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
</tr>
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<td>SBI</td>
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<td>33 (6.9%)</td>
<td>15 (3.1%)</td>
<td>47 (9.8%)</td>
<td>381 (79.4%)</td>
<td>279 (100%)</td>
</tr>
<tr>
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<td>ICICI</td>
<td>0 (0%)</td>
<td>5 (1.8%)</td>
<td>0 (0%)</td>
<td>43 (15.4%)</td>
<td>231 (82.8%)</td>
<td>480 (100%)</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SBI</td>
<td>4 (8%)</td>
<td>30 (6.3%)</td>
<td>12 (2.5%)</td>
<td>195 (40.6%)</td>
<td>239 (49.8%)</td>
<td>279 (100%)</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0 (0%)</td>
<td>8 (2.9%)</td>
<td>3 (1.1%)</td>
<td>115 (41.2%)</td>
<td>153 (54.8%)</td>
<td>480 (100%)</td>
</tr>
<tr>
<td>RS2.b</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SBI</td>
<td>3 (6.6%)</td>
<td>30 (6.3%)</td>
<td>42 (8.8%)</td>
<td>155 (32.3%)</td>
<td>250 (52.1%)</td>
<td>279 (100%)</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0 (0%)</td>
<td>8 (2.9%)</td>
<td>13 (4.7%)</td>
<td>86 (30.8%)</td>
<td>172 (61.6%)</td>
<td>480 (100%)</td>
</tr>
</tbody>
</table>

Sources: Primary Data

In SBI, 79.4 percent of surveyed customers strongly agreed that the banks are providing information in correct time to the customers. In ICICI, 82.8 percent customers strongly agreed the above statement. 49.8%-surveyed customers in SBI strongly agreed that attractive advertisement used for marketing purpose. In ICICI, 54.8 percent customers are strongly agreed that the same thing.

Half of the percent surveyed customers in SBI strongly agreed that innovative products are used for marketing purpose. 61.6 percent customers in ICICI, strongly agree that innovative products for motivating the E-Banking customers.

RS3. Understanding of Customers
- ATM machines are available at customer’s convenient places (RS3.a.)
- Best core banking solutions are provided (RS3.b.)
- Best E-Banking services are provided (RS3.c.)

Table 1.3: RS3. Understanding of Customers

<table>
<thead>
<tr>
<th>RS3</th>
<th>Bank</th>
<th>SDA</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SBI</td>
<td>4 (8%)</td>
<td>23 (4.8%)</td>
<td>7 (1.5%)</td>
<td>48 (10%)</td>
<td>398 (82.9%)</td>
<td>480 (100%)</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0 (0%)</td>
<td>17 (6.1%)</td>
<td>18 (6.5%)</td>
<td>32 (11.5%)</td>
<td>212 (76%)</td>
<td>279 (100%)</td>
</tr>
<tr>
<td>RS3.a</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SBI</td>
<td>3 (6.6%)</td>
<td>20 (4.2%)</td>
<td>3 (6%)</td>
<td>217 (45.2%)</td>
<td>237 (49.4%)</td>
<td>480 (100%)</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0 (0%)</td>
<td>5 (1.8%)</td>
<td>7 (2.5%)</td>
<td>142 (50.9%)</td>
<td>125 (44.8%)</td>
<td>279 (100%)</td>
</tr>
<tr>
<td>RS3.b</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SBI</td>
<td>4 (8%)</td>
<td>28 (5.8%)</td>
<td>5 (1%)</td>
<td>133 (27.7%)</td>
<td>310 (64.6%)</td>
<td>480 (100%)</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0 (0%)</td>
<td>5 (1.8%)</td>
<td>0 (0%)</td>
<td>101 (36.2%)</td>
<td>173 (62%)</td>
<td>279 (100%)</td>
</tr>
</tbody>
</table>

Sources: Primary Data

In SBI, 82.9%-selected customers strongly agreed that the bank’s ATM placed in convenient location. 76 percent of customers in ICICI strongly agreed the same statement.

0.6 percent customers in SBI strongly disagreed the bank is not providing best core banking services to the customers. However, 49.4 percent customers in the same bank strongly agreed the statement. In ICICI 44.8 percent customers strongly agreed but 1.8 percent customers disagree the same statement.

Majority of the selected customers in both banks strongly agree “Best E-Banking products are provided”.

In SBI, 79.4%-selected customers strongly agreed that the banks are providing information in correct time to the customers. In ICICI, 82.8 percent customers strongly agreed the above statement. 49.8%-surveyed customers in SBI strongly agreed that attractive advertisement used for marketing purpose. In ICICI, 54.8 percent customers are strongly agreed that the same thing.

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<th>N</th>
<th>A</th>
<th>SA</th>
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<tr>
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</tr>
<tr>
<td>RS3.a</td>
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<tr>
<td></td>
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<td>480 (100%)</td>
</tr>
<tr>
<td></td>
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<tr>
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<td>310 (64.6%)</td>
<td>480 (100%)</td>
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<td></td>
<td>ICICI</td>
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<td>0 (0%)</td>
<td>101 (36.2%)</td>
<td>173 (62%)</td>
<td>279 (100%)</td>
</tr>
</tbody>
</table>

Sources: Primary Data

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- Best E-Banking services are provided (RS3.c.)

Table 1.3: RS3. Understanding of Customers

<table>
<thead>
<tr>
<th>RS3</th>
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<th>SDA</th>
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<th>SA</th>
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<td>4 (8%)</td>
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<td>48 (10%)</td>
<td>398 (82.9%)</td>
<td>480 (100%)</td>
</tr>
<tr>
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<td>17 (6.1%)</td>
<td>18 (6.5%)</td>
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<td>212 (76%)</td>
<td>279 (100%)</td>
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<td></td>
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<tr>
<td></td>
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<td>3 (6.6%)</td>
<td>20 (4.2%)</td>
<td>3 (6%)</td>
<td>217 (45.2%)</td>
<td>237 (49.4%)</td>
<td>480 (100%)</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0 (0%)</td>
<td>5 (1.8%)</td>
<td>7 (2.5%)</td>
<td>142 (50.9%)</td>
<td>125 (44.8%)</td>
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<td>28 (5.8%)</td>
<td>5 (1%)</td>
<td>133 (27.7%)</td>
<td>310 (64.6%)</td>
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<td>5 (1.8%)</td>
<td>0 (0%)</td>
<td>101 (36.2%)</td>
<td>173 (62%)</td>
<td>279 (100%)</td>
</tr>
</tbody>
</table>

Sources: Primary Data

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0.6 percent customers in SBI strongly disagreed the bank is not providing best core banking services to the customers. However, 49.4 percent customers in the same bank strongly agreed the statement. In ICICI 44.8 percent customers strongly agreed but 1.8 percent customers disagree the same statement.

Majority of the selected customers in both banks strongly agree “Best E-Banking products are provided”.
RS4.Grievance Redresses
- Better strategy used for customers grievances (RS4.a.)
- Provide helps to remove customers’ FUD (Fear, Uncertainty, Doubts). (RS4.b.)
- Explanation about the banking terms and conditions is good (RS4.c.)

Table-1.4: RS4.Grievance Redressal

<table>
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<th>RS4</th>
<th>Bank</th>
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<td>480</td>
</tr>
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<td></td>
<td>(6%)</td>
<td>(5.8%)</td>
<td>(2.3%)</td>
<td>(30.4%)</td>
<td>(60.8%)</td>
<td>(100%)</td>
<td></td>
</tr>
<tr>
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<td>279</td>
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<td>(0%)</td>
<td>(1.8%)</td>
<td>(3.2%)</td>
<td>(29%)</td>
<td>(65.9%)</td>
<td>(100%)</td>
<td></td>
</tr>
<tr>
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<td>480</td>
</tr>
<tr>
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<td>(6%)</td>
<td>(3.1%)</td>
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<td>(49.8%)</td>
<td>(100%)</td>
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<td>115</td>
<td>157</td>
<td>279</td>
</tr>
<tr>
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<td>(0%)</td>
<td>(1.8%)</td>
<td>(7%)</td>
<td>(41.2%)</td>
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<td>(100%)</td>
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<td>480</td>
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<tr>
<td></td>
<td>(8%)</td>
<td>(7.1%)</td>
<td>(1.7%)</td>
<td>(38.3%)</td>
<td>(52.1%)</td>
<td>(100%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0</td>
<td>9</td>
<td>2</td>
<td>94</td>
<td>174</td>
<td>279</td>
</tr>
<tr>
<td></td>
<td>(0%)</td>
<td>(3.2%)</td>
<td>(7%)</td>
<td>(33.7%)</td>
<td>(62.4%)</td>
<td>(100%)</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Primary Data

Majority of the selected customers in SBI strongly agreed that the better strategies are used for solving the customers’ problems. However, 5.8 percent customers disagrees the statement. In ICICI 65.9 percent customers strongly agreed the same statement. 49.8 percent selected customers in SBI, strongly agreed that the banks are help to remove the fear, uncertainty and doubts of the customers. 0.6 percent customers strongly disagrees the above one. 56.3 percent customers in ICICI, strongly disagrees the same statement.

Half of the customers in SBI and 62.4 percent customers in ICICI strongly agreed that the employees are providing clear explanation about the banking terms and conditions. However, one third of the customers in both banks dis agree the same statement.

Table-1.5: Difference between SBI & ICICI Bank Customers of the Respondents and their Opinion about Overall Relationship Strategy Elements

<table>
<thead>
<tr>
<th>Relationship Strategy</th>
<th>SBI (n=480)</th>
<th>ICICI (n=279)</th>
<th>T=</th>
<th>D.f.</th>
<th>.003</th>
<th>.002</th>
<th>.000</th>
<th>.841</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>57.88</td>
<td>59.42</td>
<td>-2.997</td>
<td>757</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&gt;0.05</td>
</tr>
<tr>
<td>ICICI</td>
<td>8.017</td>
<td>3.930</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>17.92</td>
<td>18.43</td>
<td>-3.122</td>
<td>757</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&gt;0.05</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>13.21</td>
<td>13.78</td>
<td>-3.559</td>
<td>757</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&gt;0.05</td>
</tr>
<tr>
<td>Understanding of Customers</td>
<td>13.57</td>
<td>13.54</td>
<td>-2.000</td>
<td>757</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&gt;0.05</td>
</tr>
<tr>
<td>grievance Redresses</td>
<td>13.18</td>
<td>13.66</td>
<td>-3.506</td>
<td>757</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&lt;0.05</td>
<td>&gt;0.05</td>
</tr>
<tr>
<td>ICICI</td>
<td>1.986</td>
<td>1.560</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Primary Data

The above table reveals that there is a significant difference between SBI & ICICI bank customers of the respondents and their opinion about overall Relationship strategy elements. Hence, the calculated value less than table value (p<0.05).
Research Hypothesis

There is a significant difference between SBI & ICICI bank customers of the respondents and their opinion about overall Relationship strategy elements

Null Hypothesis

There is no significant difference between SBI & ICICI bank customers of the respondents and their opinion about overall Relationship strategy elements

Statistical test

Student ‘t’ test was used in the above table

Findings

The above table reveals that there is a significant difference between SBI & ICICI bank customers of the respondents and their opinion about overall Relationship strategy elements. Hence, the calculated value is less than table value (p<0.05). So the research hypothesis is accepted and the null hypothesis is rejected.

DATA ANALYSIS, RESULT AND DISCUSSION – BANK EMPLOYEES

Relationship Strategy: (RS)
- Hospitality (RS1.)
- Marketing strategy (RS2.)
- Understanding of customers (RS3.)
- Grievance Redresses (RS4.)

RS1.Hospitality
- May I help counter is really helpful (RS1.a.)
- Purified water available in the bank campus. (RS1.b.)
- Counter token system is followed. (RS1.c.)
- User manual is provided for E-Banking products. (RS1.d.)

<table>
<thead>
<tr>
<th>RS1</th>
<th>Bank</th>
<th>SDA</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>31</td>
<td>143</td>
<td>120</td>
<td>302</td>
</tr>
<tr>
<td>ICICI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>33</td>
<td>33</td>
<td>66</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0%</td>
<td>0%</td>
<td>25.0%</td>
<td>25.0%</td>
<td>50.0%</td>
<td>100%</td>
</tr>
<tr>
<td>SBI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>22</td>
<td>91</td>
<td>189</td>
<td>302</td>
</tr>
<tr>
<td>ICICI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>58</td>
<td>26</td>
<td>48</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>43.9%</td>
<td>30.1%</td>
<td>50.0%</td>
<td>100%</td>
</tr>
<tr>
<td>SBI</td>
<td>0</td>
<td>12</td>
<td>4.0%</td>
<td>7</td>
<td>122</td>
<td>161</td>
<td>302</td>
</tr>
<tr>
<td>ICICI</td>
<td>0</td>
<td>9</td>
<td>6.8%</td>
<td>25</td>
<td>41</td>
<td>57</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>9%</td>
<td>6.8%</td>
<td>18.9%</td>
<td>31.1%</td>
<td>43.2%</td>
<td>100%</td>
</tr>
<tr>
<td>SBI</td>
<td>5</td>
<td>13</td>
<td>4.3%</td>
<td>41</td>
<td>107</td>
<td>136</td>
<td>302</td>
</tr>
<tr>
<td>ICICI</td>
<td>8</td>
<td>0</td>
<td>0%</td>
<td>9</td>
<td>33</td>
<td>82</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>6.1%</td>
<td>0%</td>
<td>6.8%</td>
<td>25.0%</td>
<td>25.0%</td>
<td>62.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Sources: Primary Data

47.4 percent surveyed employees in SBI agreed that the banks’, ‘May I help you counter is really helpful to the customers. In ICICI 50 percent, employees strongly agreed the same statement.
62.6 percent respondents in SBI strongly agree that the bank branches placed the purified water in that campus. 36.4 percent respondents strongly agreed the statement by the ICICI bank. SBI bank branches are using the counter token system, this statement is strongly agreed by Half (53.3 percent) of the respondents. In ICICI, 43.2 percent respondents strongly agreed the same statement.

45 percent respondents in SBI strongly agree that the banks are providing the user manual to the customer. ICICI bank also provides the same user to the customers; this statement is strongly agreed by 62.1 per cent employees.

Rs2. Marketing Strategy

- In banks’ information is available at correct time (RS2.a)
- Used the attractive advertisement (RS2.b)
- Innovative products are introduced. (RS2.c)

**Table-2.2: RS2. Marketing Strategy**

<table>
<thead>
<tr>
<th>RS2</th>
<th>Bank</th>
<th>SDA</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS2.a</td>
<td>SBI</td>
<td>21</td>
<td>7.0%</td>
<td>0</td>
<td>23</td>
<td>7.6%</td>
<td>135</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>9</td>
<td>6.8%</td>
<td>38</td>
</tr>
<tr>
<td>RS2.b</td>
<td>SBI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>12</td>
<td>4.0%</td>
<td>159</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0</td>
<td>8</td>
<td>6.1%</td>
<td>17</td>
<td>12.9%</td>
<td>39</td>
</tr>
<tr>
<td>RS2.c</td>
<td>SBI</td>
<td>5</td>
<td>1.7%</td>
<td>0</td>
<td>30</td>
<td>9.9%</td>
<td>107</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>18</td>
<td>13.6%</td>
<td>41</td>
</tr>
</tbody>
</table>

Sources: Primary Data

40.7 percent respondents strongly agreed that banks’ information is available at correct time to the customer. In ICICI, 64.4 percent surveyed employees strongly agreed the same statement.

43.4 percent respondents in SBI and 51.5 per cent respondents in ICICI strongly agreed that both banks are using the attractive advertisement to the customers.

Half (53 per cent) of the respondents strongly agreed that SBI banks are always providing innovative products to the customers. In ICICI, 55.3 per cent employees strongly agreed the above-mentioned statement.

Rs3. Understanding of Customers

- ATM machines are available at customer’s convenient places (RS3.a)
- Best core banking solutions are provided (RS3.b)
- Best E-Banking services are provided (RS3.c)

**Table-2.3: RS3. Understanding of Customers**

<table>
<thead>
<tr>
<th>RS3</th>
<th>Bank</th>
<th>SDA</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS3.a</td>
<td>SBI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>7</td>
<td>2.3%</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>25</td>
<td>18.9%</td>
<td>26</td>
</tr>
<tr>
<td>RS3.b</td>
<td>SBI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>7</td>
<td>2.3%</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>14</td>
<td>10.6%</td>
<td>32</td>
</tr>
<tr>
<td>RS3.c</td>
<td>SBI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>19</td>
<td>6.3%</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>ICICI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>26</td>
<td>19.7%</td>
<td>13</td>
</tr>
</tbody>
</table>

Sources: Primary Data
Majority (69.9 per cent) respondents in SBI, strongly agree that banks set up ATM machines at customers’ convenient places. 61.4 per cent employees in ICICI strongly agreed the same statement. Core banking services are provided in a best way. It is strongly agreed by 69.9 per cent respondents in SBI and 65.2 per cent employees surveyed in ICICI.

Majority (69 per cent) of the respondents employees surveyed in both banks strongly agreed that the banks always provide best e-banking services to the customers.

**GRIEVANCE REDRESSAL (RS4)**

The following factors considered in grievance redressal:
- Better strategy used for Customers’ Grievances (RS4.a)
- Help to remove Customers’ FUD (Fear, Uncertainty, Doubts) (RS4.b)
- Explanation about the Banking terms and Conditions is Good (RS4.c)

<table>
<thead>
<tr>
<th>RS4</th>
<th>Bank</th>
<th>SDA</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS4.a</td>
<td>SBI</td>
<td>5</td>
<td>1.7%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>52</td>
</tr>
<tr>
<td>ICICI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>17</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>RS4.b</td>
<td>SBI</td>
<td>5</td>
<td>1.7%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>55</td>
</tr>
<tr>
<td>ICICI</td>
<td>8</td>
<td>6.1%</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>RS4.c</td>
<td>SBI</td>
<td>5</td>
<td>1.7%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>88</td>
</tr>
<tr>
<td>ICICI</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>34</td>
<td>8</td>
<td>22</td>
</tr>
</tbody>
</table>

**Sources:** Primary Data

The above table indicates that 40.7 percent respondents strongly agree that best strategies are used for customers’ grievances in SBI. In ICICI, 64.4 percent employees strongly agreed the same statement.

Nearly half (47.35 per cent) respondents in both banks strongly agreed that the employees remove the customer’s fear, uncertainty and doubts (FUD).

40.1 per cent respondents in SBI strongly agree that the banks clearly explained the terms and conditions of the employees to the customers. In ICICI, 57.6 percent employees strongly agreed the same statement.

**Table-2.5: Association between SBI and ICICI of the Respondents and their Opinion about Overall CRM Elements**

<table>
<thead>
<tr>
<th>Overall Relationship Strategy</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>43.4%</td>
<td>54.5%</td>
<td>56.6%</td>
</tr>
<tr>
<td>72</td>
<td>203</td>
<td>60</td>
</tr>
<tr>
<td>46.8%</td>
<td>53.2%</td>
<td>46.8%</td>
</tr>
<tr>
<td>X²=4.602</td>
<td>D.f.=1</td>
<td>.032&lt;0.05</td>
</tr>
</tbody>
</table>

**Sources:** Primary Data

The above table reveals that there is no significant association between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements. Hence, the calculated value is greater than table value (p>0.05).

**Research Hypothesis**

There is a significant association between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements

**Null hypothesis**

There is no significant association between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements
Statistical test

Chi-square test was used in the above table.

Findings

The above table reveals that there is no significant association between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements. Hence, the calculated value is greater than table value (p>0.05). Therefore, the research hypothesis is rejected and the null hypothesis is accepted.

<table>
<thead>
<tr>
<th>Table-2.6: Difference between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hospitality</strong></td>
</tr>
<tr>
<td>SBI (n=302)</td>
</tr>
<tr>
<td>ICICI (n=132)</td>
</tr>
<tr>
<td><strong>Marketing Strategy</strong></td>
</tr>
<tr>
<td>SBI (n=302)</td>
</tr>
<tr>
<td>ICICI (n=132)</td>
</tr>
<tr>
<td><strong>Understanding of Customers</strong></td>
</tr>
<tr>
<td>SBI (n=302)</td>
</tr>
<tr>
<td>ICICI (n=132)</td>
</tr>
<tr>
<td><strong>Grievance Redresses</strong></td>
</tr>
<tr>
<td>SBI (n=302)</td>
</tr>
<tr>
<td>ICICI (n=132)</td>
</tr>
<tr>
<td><strong>Overall Relationship Strategy</strong></td>
</tr>
<tr>
<td>SBI (n=302)</td>
</tr>
<tr>
<td>ICICI (n=132)</td>
</tr>
</tbody>
</table>

The above table reveals that there is no significant difference between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements. Hence, the calculated value is greater than table value (0.508>0.05). So the research hypothesis is rejected and the null hypothesis is accepted.

Research Hypothesis

There is a significant difference between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements

Null Hypothesis

There is no significant difference between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements

Statistical Test

Student ‘t’ test was used in the above table

Findings

The above table reveals that there is no significant difference between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements. Hence, the calculated value is greater than table value (0.508>0.05). So the research hypothesis is rejected and the null hypothesis is accepted.
FINDINGS & SUGGESTIONS

Customers’ Opinion about the Relation Strategy Elements in CRM

Relationship Strategy (RS)

a. Hospitality
- 80.85% respondents in both banks strongly agreed that ‘May I Help You’ counter is really help to the customers’ queries.
- Half of the respondents in both banks strongly agreed that the in bank campus provide purified water to the customers.
- 65.8% respondents in SBI and 55.6% respondents in ICICI strongly agree that counter token system is used to the customers.
- Nearly half percent customers agree that the banks are providing user manual for e-products.

b. Marketing Strategy
- Majority of the bank customers in SBI and in ICICI strongly agreed that banks are passing information correctly to the customers.
- Attractive advertisement strategy used in both selected banks and agreed by nearly half respondents.
- The banks are providing innovative e-products to the customers and it is strongly agreed by 56.85% customers in selected banks.

c. Understanding of Customers
- Majority of the customers in both banks strongly agree that the banks are providing ATM facility at customer’s convenient places.
- Half of the respondents in selected banks agree that the banks are providing best core banking solutions to the customers.
- The banks are providing the best e-banking services to the customers this is agreed by one third of the customers.

d. Grievance Redresses
- Customers’ grievances are solved in a better way and majority of the customers in both banks agrees this.
- Fear, Uncertainty and Doubts of the customers are removed with the help of bank employees, this is strongly accepted by half of the customers in selected banks.
- Selected bank employees clearly explain the terms and conditions of the banks this statement strongly agreed by 52.1% in SBI and 62.4% in ICICI

Employee’s Opinion about Relationship Strategy Elements in CRM

Relationship Strategy

Hospitality
- Nearly half of the percent employees strongly agreed that the ‘May I Help You’ counter is really helpful to the customers. In ICICI, half of the percent employees strongly agreed the same.
- 43.9% employees in ICICI have no opinion about the availability of purified water in the bank campus. However, in SBI 62.6% employees strongly agreed that every branch has set up purified water in the campus.
- 40.4% employees agreed and 53.3% employees strongly agreed that the branches follow the counter token system to reduce time. In ICICI, 43.2% employees strongly agreed the same statement.
- In SBI 45% employees strongly agreed that the user manual is given for using the e-banking products. Majority of the employees in ICICI strongly agree the same statement.

Marketing Strategy
- In both banks, there is the banking information to the customers’ needs this statement strongly agreed by 40.7% in SBI and 64.4% employees in ICICI.
- Innovative products introduced in both banks this statement strongly agreed by half of the percent in both banks.
- 52.6% employees in SBI agreed that the attractive advertisement used for attracting the customers. In ICICI 51.5%, employees strongly agreed the same statement.

Understanding of Customers
- Majority of the respondents strongly agreed that locations of the ATM are convenient to the customers.
- 69.9% in SBI and 65.2% in ICICI strongly agreed that the core banking solutions provided in best way.
• 19.7% employees in ICICI, have no opinion about e-banking services are provided in best way but, this statement strongly agreed by 70.5% employees in the same bank. In SBI 67.5%, employees strongly agreed the e-banking services.

Grievance Redress
• ‘Better strategy used for Customers’ Grievances this is strongly agreed by 40.7% employees in SBI and 64.4% employees in ICICI.
• The employees of the selected banks remove Customers’ FUD (Fear, Uncertainty, Doubts) this statement strongly agreed by most of the percent respondents.
• 29.1% employees in SBI and 25.8% employees in ICICI had no opinion about the statement ‘Explanation of Banking terms and Conditions to the customers is good’.

Hypotheses Findings from Customers
• There is a significant difference between SBI & ICICI bank customers of the respondents and their opinion about overall Relationship Strategy elements.

Hypotheses Findings from Bank Employees
• There is no significant association between SBI and ICICI of the respondents and their opinion about overall Relationship Strategy elements.

Suggestions
• Employees should be involved in customer relationship programmes right from the stage of its conception to its implementation and even in its follow-up.
• The corporate level management shared customers’ feedback with the employees, so they themselves can correct their flaws.
• The SBI has been introducing new and more customized products at regular intervals. However, it fails to make the customers know about these products. It needs to be more aggressive at marketplace and resort to several modern techniques of communicating such as setting up stalls of new offers, participating more aggressively at various trade fares and organizing road shows.
• ICICI bank officials work under the tremendous work pressure, which mainly shows its growth in business. This many a time restricts the bank officials to give spare time to customers. So the corporate level employees have considered about work burden while doing any transaction in bank campus.
• ICICI bank’s grievance – handling mechanism has been perceived very well by the customers, but the bank on its own rarely tries to find customer’s satisfaction and problem.
• At corporate level, the CRM programme in ICICI and it rarely accounts for local needs. Therefore, many a time the programmes do not result in positive customer perception.

CONCLUSION
The study brings to light the various aspects relating to relationship building in Electronic banking as well as retail banking. The variables identified are contributing towards relationship building and dissolution of relationship. It will definitely help bankers to evolve appropriate strategies towards relationship building.

REFERENCES
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A STUDY ON INTERNET BANKING AND ITS CUSTOMER SERVICE QUALITY COMMITMENT IN SELECT PRIVATE BANKS AT SALEM TOWN

Dr. Y. Shafee

INTRODUCTION

Within the last two decades, service quality has become a main interest in the industrial world especially in the service industries. The key to success in winning the global competition now and in the future is to have high quality service. High quality of service is believed to influence over customer value and customer satisfaction, and furthermore customer satisfaction will affect customer loyalty directly. Therefore, the importance of service quality, value, and customer satisfaction seems justified to the survival of service companies, including the banking companies.

Many empirical studies in various sectors of service industry such as banking, hotel, insurance, workshops, car rental, and other financial companies have been conducted to find out the factors that determine service quality. Service quality has always been the main study for retail banking (for example Avkiran, 1994; Johnston, 1997; Lassar et.al. 2000; Sureshchandar et.al. 2002) in today’s very competitive environment in which many banks are available for customers to choose from. However, need to study further the factors that enable banks to attract and maintain their customers. Banks seeking strong competitiveness in the future need to develop new ideas to foster good relationships with their retail customers.

In order to attract new customers and to retain them, private banks in India have been using a variety of ways such as providing customers with excellent services, modern looking equipment, courteous, skillful, well-trained employees, and supportive operational systems. Banks expect that with excellent service, customers will be satisfied and if satisfied, they will become loyal customers.

The significant growth of banks has caused the appearance what is called “buyer’s market” in which the supply exceeds the demand. In this condition, the customers are in strong bargaining position and therefore the banks have to be more effective in providing services because customers now have many choices in determining the bank they want. The customers’ need for excellent service keeps changing. The level of service quality varies from time to time. There is no guarantee that what is excellent service today is also applicable for tomorrow. There is also the rapid change of the retail-banking sector in the last 15 years with the increased application of the technology in the service delivery. To win the battle of global competition in the service industries and be able to survive, banks will need to use new strategies in providing service that will satisfy their customers. This is the reason why service marketing and bank marketing in particular keeps developing and it is gaining the prominence in the marketing literature.

The interest in service marketing research on service quality, Trust, Delight, Commitment customer commitment and customer satisfaction has grown recently. Hundreds of studies have been conducted by applying related theories and methods in the service industry, especially in retail banking industry. Angur et al. (1999) tested SERVQUAL and SERVPERF frameworks in the retail banking industry. Avkiran (1994) has also proposed an instrument for measuring the quality of banks’ branches. Similarly, Bahia and Nantel (2000), Sureshchandar and colleagues (2002) developed a reliable and valid scale for measuring the quality of retail banking services. Along with these research efforts, (Johnston 1997; Lassar et.al., 2000; Athanassopoulos 2000; Caruana 2002) introduced a customer commitment and satisfaction research framework into banking industry. However, there are continuing demands for refining the theories that are suitable to private banking setting. One way to refine a theory is to consider variables within the existing model that are potentially powerful in predicting the dependent variable. For this reason, after Caruana (2002) examined his model that links service quality to service loyalty via customer satisfaction, suggested the need to consider the role of customer Trust, delight and company image/reputation within the model. Likewise, Cronin and his colleagues (2000) who assessed the effects of quality, value, Trust, delight and customer satisfaction on behavioral intentions across multiple services industries (excluding banking industry) suggested the need to include additional decision-making variables such as the tangible quality of service products, the quality of service environment (i.e. the service scope), and customers’ expectations.

Internet Banking in India

Internet banking in India emerged in mid-nineties as newly introduced private sector banks came up with a new business model revolving around a strong information technology (IT) backbone. ICICI bank, a private bank, initiated Internet bank in India in 1998. However, it started to facilitate information sharing, storing personal and financial information among banks. Recent development shows that most of brick and mortar banks have evolved themselves by shifting their focus towards up gradation of their own new e-banking capabilities. In addition, internet-banking services are progressively turning as “need to have” rather than

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“nice to have”. However, in a study by Internet and Mobile Association of India (IAMAI) in December 2005, it has been found that the people are hesitant/reluctant to do banking/financial transactions through banks’ internet web sites because of reasons such as:

- Security concerns (43 percent);
- Preference for face-to-face transactions (39 percent);
- Lack of knowledge about online transactions (22 percent);
- Lack of user friendliness environment (10 percent); and
- Lack of this facility in current bank (2 percent).

In this survey, nearly 83 percent out of total bank users was male and about 43 percent of internet, banking customers in the survey was in the 26-35 years age group. Moreover, even after around five year the usage of internet banking is in subtle condition. In a recent study conducted in 2009 on internet users conducted by IAMAI, it was found that only about 12 percent of the online users prefer internet banking as the banking channel in 2009 as compared to 20 percent of the same in 2008. These figures indicate that still a significant number of online users do not use or avoid the use of internet as a banking medium in India. There has been very limited research done in this field to explore the factors that promotes and also factors that inhibits the acceptance and use of internet banking in India (Kannabiran and Narayan, 2009; Prakash and Malik, 2008; Malhotra and Singh, 2009).

REVIEW OF LITERATURE


Mols (2011) argued that customer acceptance of new technology-based channels of service delivery in banks may bring a dramatic change in the way retail banks build and maintain close relationships with their customers. Al-Hawari et al (2005) propose 5 dimensions of automated service quality- ATM service, telephone-banking service, internet banking service, price perceptions and core service. The introduction of new technology-based channels of service delivery has made customer participation more widely possible and researchers therefore need to adopt new ways to conceptualize technology interfaces service quality, taking into consideration the attributes of all electronic delivery channels.

Ostrom et al (2011) in the study express that cross-disciplinary work is critical for effective service design. They emphasize that service design involves the orchestration of clues, places, processes and interactions that together create holistic service experiences for customers. This in today’s service organizations is being brought about by the use of technology interfaces. Hence, it is important to explore the effect of the technology interfaces on the service quality as more and more customers in retail banking prefer to use technology interfaces, in combination, for interaction. A number of marketing scholars identify ATM, internet and telephone banking as the principal automated delivery channels for retail banking. However, call centers and queue systems used by the banks to enhance the quality of service provided to the banks have been largely overlooked.

Similarity between Internet Banking and Mobile Banking

Technology has undoubtedly changed the style of every aspect of life. Particularly communication sector has really revolutionized with the technology, as Laukanan (2007) specifies business environment and mainly service sector, which is reshaped and modernized with the use of technology. He also refers the consumption pattern of service in the last few years that has really turned onto a new track.

Norizan Mohd Kassim, Abdel Kader Muhammad Ahmad Abdulla (2006) wrote that internet has revolutionized the banking services along with other sectors and people had completely transformed and become dependent on the technology. Taylor and Tod (2001) also declared Electronic banking is most successful practice and applications of electronic commerce. Banking and business through internet has quick acceptance for customers because attributes of internet satisfy customer because obligation concerning financial transaction (Nijaz 2006). The new strategies in financial sector mostly banking sector is now providing new kinds of added value to the customers through technological channels (Gordon and Gupta 2006), mobile phone technology with its emergences and speedy penetration in communicating channels has become most favorable technology in communication based sector like banks. Though internet has been very innovative in its versatile function (Mohd Abbas et al 2009; Laukanan, 2007; Norizan. et al 2006) but mobile phone technology has emerged in the same pace with its versatile functionality.
The development of electronic banking to mobile banking the services of bank have actually upgraded with the introduction of different kind of innovative functions and practices, the question arise, whether the technology will be adopted by the customer on same footing? Alternatively, the technological advancement would discover easy way for acceptance by the user as compare to the internet.

**PURPOSE OF STUDY**

This study will investigate automated service quality attributes (Service Deliver Channels and Automated Service Factors) along with a measure of Trust and Delight to determine the direct and indirect effect on bank customer’s commitment. The study will seek to identify the most important attributes in bank settings, which may be used to review characteristics of the banks as experienced by customers. In addition, it may provide creative ideas for improving services in order to gain a competitive advantage. Despite the theoretical background underpinning the importance of automated service quality in building customer delight, trust, and commitment empirical research is required to examine the extent to which automated service quality enhances or diminishes customer relationships in Indian automated private banking context. This study attempts to bridge the literature gap and find out how delivering a high-quality automated service could help banks to sustain a strong relationship with their customers.

**SIGNIFICANCE OF STUDY**

The Indian financial sector has been transformed from a relatively closed system in the 1950s and 1960s based on traditional bank activities to a more open, effective and competitive system which is able to offer a wide range of products and services.

Technological developments and financial liberalization (deregulation) are viewed as the main forces influencing the financial sector’s development. In today’s intensely competitive economy, providing excellent customer service plays a vital role in a company’s success and failure.

An increasing number of banks are using technology to deliver their regular service to the consumer. Investigations of quality issues of banks’ automated services are necessary because of their potential influence on attractiveness, customer retention, positive word-of-mouth, and maximizing competitive advantages. To embrace this new technology—oriented context, it is necessary for banks to realize how quality issues of automated services distinguish their customer services from others.

**STATEMENT OF PROBLEM**

When customers evaluate the quality of the automated service they receive from a banking institution they use different criteria, which are likely to differ in their importance, usually some being more important than others are. While several criteria are important, only a few are most important. These determinant attributes are the ones that will define automated service quality from the consumer’s perspective. However, many established models of service quality have tended to focus on expectations and marginalize the issue of importance. Thus, for example, of the most widely used model to measure perceived service quality was developed by Parasuraman et al. (1985; 1988).

The banking industry has already been depicted as exhibiting little market orientation and fulfilling services with little regard to customer needs as well as including branches dissimilar in efficiency. Long lines, limited time for customer servicing, transaction errors, excessive bureaucracy, and security and network failures have been said to be the most frequent problems using banking services. This highly lower customer’s perception on the quality of service offered and hence reduces the bank’s trust, delight, and commitment.

**SCOPE OF THE STUDY**

The scope of the problem to be explored is restricted to the automated service context the delivery channels (ATM, Telephone, Internet and Mobile Banking) and automated service factors (Convenience, Queue Management, Personalization, Responsiveness, and Security) attributes towards customer trust and delight towards customer commitment in the selected private sector Banks in Salem District, Tamilnadu, India. The study mainly concentrates towards the automated service quality delivery channels and its service factors. The traditional significant dimensions of service quality were not considered for the study.

**OBJECTIVES OF THE STUDY**

- To study the personal profiles of the respondents and its impact on their commitment towards the bank.
- To identify the internet banking service in selected banks.
- To establish the relationship between Internet Banking and Overall Automated Service Quality Commitment
Table-I: Comparison between Internet Banking and Overall Automated Service Quality Commitment

<table>
<thead>
<tr>
<th>Overall Automated Service</th>
<th>IB 1</th>
<th>IB 2</th>
<th>IB 3</th>
<th>IB 4</th>
<th>IB 5</th>
<th>IB 6</th>
<th>IB 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Commitment</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
</tr>
<tr>
<td>Very High</td>
<td>1.35</td>
<td>1.23</td>
<td>1.37</td>
<td>1.77</td>
<td>1.57</td>
<td>1.44</td>
<td>1.56</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>0.479</td>
<td>0.421</td>
<td>0.588</td>
<td>0.967</td>
<td>0.681</td>
<td>0.598</td>
<td>0.598</td>
</tr>
<tr>
<td>High</td>
<td>2.00</td>
<td>2.06</td>
<td>1.91</td>
<td>2.02</td>
<td>2.11</td>
<td>2.14</td>
<td>2.11</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>0.921</td>
<td>0.897</td>
<td>0.874</td>
<td>0.825</td>
<td>0.863</td>
<td>0.953</td>
<td>0.929</td>
</tr>
<tr>
<td>Moderate</td>
<td>2.48</td>
<td>2.87</td>
<td>2.61</td>
<td>2.65</td>
<td>2.80</td>
<td>2.69</td>
<td>2.87</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.107</td>
<td>1.028</td>
<td>0.944</td>
<td>1.011</td>
<td>1.026</td>
<td>0.980</td>
<td>1.164</td>
</tr>
<tr>
<td>Low</td>
<td>3.20</td>
<td>3.25</td>
<td>3.43</td>
<td>3.63</td>
<td>3.76</td>
<td>3.24</td>
<td>3.29</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.000</td>
<td>1.093</td>
<td>1.005</td>
<td>0.937</td>
<td>1.335</td>
<td>0.971</td>
<td>1.316</td>
</tr>
<tr>
<td>Total</td>
<td>2.14</td>
<td>2.27</td>
<td>2.14</td>
<td>2.26</td>
<td>2.29</td>
<td>2.29</td>
<td>2.34</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.032</td>
<td>1.053</td>
<td>1.004</td>
<td>1.001</td>
<td>1.002</td>
<td>1.021</td>
<td>1.099</td>
</tr>
<tr>
<td>F Value</td>
<td>52.633</td>
<td>95.855</td>
<td>90.155</td>
<td>74.420</td>
<td>50.581</td>
<td>57.110</td>
<td>62.539</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

INTERNET BANKING

- IB1 - All the necessary information is available.
- IB2 - Easy to use.
- IB3 - Internet Banking is Secure.
- IB4 - Error free transactions.
- IB5 - Attractive web site.
- IB6 - Web site interface accuracy.
- IB7 - Up to date information.

It is found that 75 out of 900 respondents had very high responses towards Internet Banking constructs in comparison with Overall Automated Service Quality and Commitment. Error free transactions has the highest mean value 1.77. Constructs Attractive web site and Up to date information has successive mean values 1.57 and 1.56 respectively. Web site interface accuracy has a mean value 1.44. Internet Banking is Secure had a mean value 1.37. All the necessary information is available had a mean value 1.35. Easy to use showed the least mean value 1.23.

It is found that 531 out of 900 respondents showed high responses towards Internet Banking constructs in comparison with Overall Automated Service Quality and Commitment. Web site interface accuracy shows the highest mean value 2.14. Followed by constructs Attractive web site and Up to date information with equal mean values 2.11 each. Easy to use had a mean value 2.06. Error free transactions had a mean value 2.02. All the necessary information is available had a mean value 2.00. Internet Banking is Secure had the least mean value 1.91.

It is inferred that 243 out of 900 respondents expressed moderate responses towards Internet Banking constructs in comparison with Overall Automated Service Quality and Commitment. Easy to use and Up to date information had equal high mean values 2.87 each. Attractive web site had the next highest mean value 2.80. Web site interface accuracy had a mean value 2.69. Error free transactions had a mean value 2.65. Internet Banking is Secure had a mean value 2.61. All the necessary information is available showed the lowest mean value 2.48 among 7 constructs.

Low responses were expressed by 51 of them out of 900 respondents towards Internet Banking constructs. Error free transactions had the highest mean value 3.63, followed by Internet Banking is Secure with a mean value 3.43. Up to date information had a mean value 3.29. Easy to use and Web site interface accuracy had successive mean values 3.25 and 3.24 respectively. All the necessary information is available had a mean value 3.20 and Attractive web site had the least mean value 2.76 with regarding to low responses.

Thus, summing up the constructs of Internet Banking in comparison with Overall Automated Service Quality and Commitment shows that, Up to date information had the highest mean value 2.34, followed by constructs Attractive web site and Web site interface accuracy.
interface accuracy with equal mean values 2.29 each. Easy to use and Error free transactions had successive mean values 2.27 and 2.26 respectively. All the necessary information is available and Internet Banking is Secure had least mean value 2.14 each. The F values for the individual variables of management support were highly significant.

**Rank Correlation**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particular</th>
<th>Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>All the necessary information is available.</td>
<td>0.75</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Easy to use.</td>
<td>0.63</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Internet Banking is Secure.</td>
<td>0.74</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Error free transactions.</td>
<td>0.6</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Attractive web site.</td>
<td>0.72</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Web site interface accuracy.</td>
<td>0.66</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>Up to date information.</td>
<td>0.76</td>
<td>1</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**FINDINGS & SUGGESTIONS**

**Internet Banking**

Online banking (or Internet banking or E-banking) allows customers of a financial institution to conduct financial transactions on a secure website operated by the institution, which can be a retail or virtual bank, credit union or building society. To access a financial institution's online banking facility, a customer having personal Internet access must register with the institution for the service, and set up some password (under various names) for customer verification. The password for online banking is normally not the same as for telephone banking. Financial institutions now routinely allocate customer numbers (also under various names), whether or not customers intend to access their online banking facility. Customer numbers are normally not the same as account numbers, because a number of accounts can be linked to the one customer number. The customer will link to the customer number any of those accounts, which the customer controls, which may be cheque, savings, loan, credit card and other accounts. Customer numbers will also not be the same as any debit or credit card issued by the financial institution to the customer. To access online banking, the customer would go to the financial institution's website, and enter the online banking facility using the customer number and password. Some financial institutions have set up additional security steps for access, but there is no consistency to the approach adopted. Online banking facilities offered by various financial institutions have many features and capabilities in common, but also have some that are application specific.

Research findings reveal that Up to date information had the highest mean value 2.34, followed by constructs Attractive web site and Web site interface accuracy with equal mean values 2.29 each. Easy to use and Error free transactions had successive mean values 2.27 and 2.26 respectively. All the necessary information is available and Internet Banking is Secure had least mean value 2.14 each.

**CONCLUSION**

The aim of the study was to highlight the significance of customer commitment in the context of banking environment. The study proposed a conceptual model that was empirically validated by data collected from customers of banks. The results of the research provided strong empirical support for all hypotheses. The automated service quality research provides empirical evidence about the relationships between automated service quality, customer delight, trust, and commitment, which had been speculated upon, but about which there has been either no, or limited, empirical evidence found in previous research. This research provides the first investigation into conceptualizing such relationships in the automated banking service context. In particular, this research systematically developed a model of service quality outcome relationships that are mentioned in the literature and then empirically tested the model in an automated banking service context. Evidence about the relationships between automated service quality, delight, trust, and commitment was produced.

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A STUDY ON FINANCIAL PERFORMANCE ANALYSIS AT “SRF LIMITED”

K. Sowmya

ABSTRACT

The analysis of financial statements is a process of evaluating the relationship between component parts of financial statements to obtain a better understanding of the firm’s position and performance. Both internal management and external groups perform financial analysis. Firms would perform such an analysis in order to evaluate their overall current performance, identify problem/opportunity areas, develop budgets and implement strategies for the future. External groups such as investors, regulators lenders, supplier’s customers also perform financial analysis in deciding whether to invest in a particular firm whether to extend credit etc. Several rating agencies (such as Moody’s, Standard and Poor’s) routinely perform financial analysis of firms in order to arrive at a composite rating. In most part of the world, preparation of financial statements is a legal requirement for every business. Financial statement generally evaluates the financial position of the business. To evaluate the financial conditions and performance of a company, the financial analysis needs certain yardsticks. The objective of every business is to increase the wealth of its owners. Usually, the performance of a business is measured by evaluating the economy, efficiency and effectiveness of a business.

This study attempts primarily to measure the financial performance of SRF Limited which one of the largest and prominent private sector in India. To complete the task, the researcher used various materials and take help form online source. Analyze the ratio here used financial ratio analysis (FRA) method, which help to draw an overview about financial performance of the SRF limited in terms of profitability and liquidity.

KEYWORDS

Gross Profit Ratio, Net profit Ratio, Fixed Assets Turnover Ratio etc.

INTRODUCTION

The term ‘financial performance analysis’ also known as analysis and interpretation of financial statements’, refers to the process of determining financial strength and weaknesses of the firm by establishing strategic relationship between the items of the balance sheet, profit and loss account and other operative data. Financial performance analysis is a process of evaluating the relationship between component parts of a financial statement to obtain a better understanding of a firm’s position and performance. The purpose of financial analysis is to diagnose the information contained in financial statements to judge the profitability and financial soundness of the firm. Financial performance refers to the act of performing financial activity. In broader sense, financial performance refers to the degree to which financial objectives being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. Financial analysis involves the use of financial statements. A financial statement is an organized collection of data according to logical and conceptual framework 50 consistent accounting procedures. Its purpose is to convey an understanding of some financial aspects of a business firm. In financial analysis process, ratio analysis is the most dominant and logical structure to help business related stakeholder. Under the financial ratio analysis process, there are few categories to identical area of financial institution. Therefore, business stakeholders try to concentrate to get overall business overview from profitability, liquidity, assets management and solvency ratio analysis. These ratios not only help to decision-making process also emphasized on risk avoiding and profit raising related factors. To calculate this ratio need to take quantitative data from bank trading activity and other sources.

REVIEW OF LITERATURE

Review of literature is necessary since it familiarizes the researcher with concepts and conclusions already evolved by earlier analysis. Literature Review was done by referring previous studies, articles and books to know the areas of study and analyze the gap or study not done so far. There are various studies were conducted relating to operational performance of the company from which most relevant literatures were reviewed. It includes the opinions expressed by various authors, leading articles, journals and books.

David C Cheng et.al (2015), in their paper, financial determinants of bank takeovers’ found that several studies have examined the determinants of bank merger pricing. Those studies focused on the characteristics of the target, and to downplay the characteristic of the acquirer. Kendy and Muller (2015), has explained that “The analysis and interpretation of financial statements are an attempt to determine the significance and meaning of financial statements data so that the forecast may be made

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of the prospects for future earnings, ability to pay interest and debt maturing (both current and long term) and profitability and sound dividend policy”. The dissertation entitled “An Evaluation of mergers and Acquisitions” by Canagavally R (2015) measures the performance of interims size, growth, profitability and risk of the companies before and after merger. I. M. Pandey (2015) had stated that the financial statements contain information about the financial consequences and sources and uses of financial resources, one should be able to say whether the financial conditions of a firm is good or bad: whether it is improving or deteriorating. One can relate the financial variables given in financial statements in a meaningful way, which will suggest the actions, which one may have to initiate to improve the firm’s financial condition. Dhevika V. P. T. et al (2015), in this paper, “A study on financial performance analysis of Arya Vaidhya Sala – Kottakal” used Z’score values and was in the higher range and in a stable condition. The chance of bankruptcy is nil with its current value. The company was enable to meet its entire requirements for capital expenditure and higher level of working capital commitments with higher volume of operations and form its operating cash flow.

STATEMENT OF PROBLEM

Ratio analysis is used as yard sticks for evaluating the financial conditions and performance of a firm. The ratio analysis involves comparison of relevant figures for useful interpretation of the financial statement. Such an analysis serves many purpose, it can assist management in its basic function, planning, cooperation and control. Any company or firms, which aim better financial performance and profit, should analyses and evaluate the ratios scientifically. This enables the company to find its strength, weakness, opportunity and threat. Therefore, the present study is very important and helpful for the company.

This study is focused on SRF Ltd. New Delhi. As SRF ltd. have many branches all over India, with Industrial sections, and all of their Financial Operations are dealing on with its Registered Office, which is at New Delhi.

OBJECTIVES OF STUDY

- To understand the financial statements of SRF limited.
- To assess the overall financial performance and efficiency in financial operations
- To study the financial health of the company using ratio analysis.
- To analyze the profitability position.

RESEARCH DESIGN

Sources of study

The study is based on secondary data. The data required for the study have been collected exclusively from the annual reports of the company and relevant textbook on financial management.

DATA ANALYSIS

In the present study an efforts have been made to analysis financial position of the concern by careful study of revenues, sales, profits, net worth and other elements from the financial statements and financial ratio analysis. The relation between two or more accounting figures/groups is called a financial ratio. A financial ratio helps to express the relationship between two accounting figures in such a way that users can draw conclusions about the performance, strengths and weakness of a firm.

<table>
<thead>
<tr>
<th>Table-1: Current Ratio and Liquidity Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>2005-2006</td>
</tr>
<tr>
<td>2006-2007</td>
</tr>
<tr>
<td>2007-2008</td>
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<td>2008-2009</td>
</tr>
<tr>
<td>2009-2010</td>
</tr>
<tr>
<td>2010-2011</td>
</tr>
<tr>
<td>2011-2012</td>
</tr>
<tr>
<td>2012-2013</td>
</tr>
<tr>
<td>2013-2014</td>
</tr>
<tr>
<td>2014-2015</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
INTERPRETATION AND ANALYSIS

The above table shows that the current ratio in the year 2003-04 was .72 and then in increases to .83 in the year 2006-07, further move upwards to .86 and in the year 2007-08 and it reached the highest of 1.11 and finally in the year 2014-15 it again moved down to 1.01. The normal current ratio is 2:1. The above table shows current ratio is less than 2% in all the years. This shows that the company is not enjoying credit worthiness.

In addition, the liquidity ratio for the study period 2005-06 to 2014-15. During these periods, the ratios are less than the normal (i.e.) 1:1. The normal current ratio is 2:1. The above table shows current ratio is less than 2% in all the years. This shows that the company is not enjoying credit worthiness.

The above table also shows that the relationship between net working capital and net sales. During the study periods, the sales are more than the working capital. It was negative net working capital in the year 2005-06 and the ratio is -955.11 and as the sale has increased in the year 2006-07 so the ratio -61.90 and increasing trend. As the sales increased and working capital also increasing and the ratio now moved up to 16.58 times in the year 2014-15.

Table 2: Working Capital Turnover Ratio and Capital Turnover Ratio

<table>
<thead>
<tr>
<th>Years</th>
<th>Net Sales</th>
<th>Net Working Capital</th>
<th>Working Capital Turnover Ratio</th>
<th>Sales</th>
<th>Proprietor’s Funds</th>
<th>Capital Turnover Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2006</td>
<td>822.90</td>
<td>-0.88</td>
<td>-955.11</td>
<td>937.97</td>
<td>65.54</td>
<td>14.31</td>
</tr>
<tr>
<td>2006-2007</td>
<td>1059.24</td>
<td>-17.11</td>
<td>-61.90</td>
<td>1162.54</td>
<td>65.54</td>
<td>17.73</td>
</tr>
<tr>
<td>2007-2008</td>
<td>1297.54</td>
<td>5.13</td>
<td>252.93</td>
<td>1438.60</td>
<td>65.54</td>
<td>21.94</td>
</tr>
<tr>
<td>2008-2009</td>
<td>1806.61</td>
<td>95.91</td>
<td>18.83</td>
<td>1967.99</td>
<td>68.90</td>
<td>28.56</td>
</tr>
<tr>
<td>2009-2010</td>
<td>1624.85</td>
<td>86.99</td>
<td>18.67</td>
<td>1794.58</td>
<td>68.90</td>
<td>26.04</td>
</tr>
<tr>
<td>2010-2011</td>
<td>1813.19</td>
<td>67.25</td>
<td>26.96</td>
<td>1966.66</td>
<td>61.71</td>
<td>31.86</td>
</tr>
<tr>
<td>2011-2012</td>
<td>2186.41</td>
<td>143.91</td>
<td>15.19</td>
<td>2352.53</td>
<td>61.52</td>
<td>38.24</td>
</tr>
<tr>
<td>2012-2013</td>
<td>2994.74</td>
<td>300.91</td>
<td>9.95</td>
<td>3277.25</td>
<td>61.52</td>
<td>53.27</td>
</tr>
<tr>
<td>2013-2014</td>
<td>3526.50</td>
<td>188.71</td>
<td>18.68</td>
<td>3787.70</td>
<td>58.44</td>
<td>64.81</td>
</tr>
<tr>
<td>2014-2015</td>
<td>3322.54</td>
<td>200.35</td>
<td>16.58</td>
<td>3322.54</td>
<td>58.44</td>
<td>56.85</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation and Analysis

The above table shows that the relationship between the sales and proprietors funds. In the year 2005-06 the ratio was 14.31 and then it was increasing and reached to 21.94 in the year 2007-08 and again moved up to 64.81 in 2013-14 and in the final year i.e. 2012-13, it reached down to 56.85. The sales are in between 30 times more than the proprietor’s funds. It shows the firms is maintaining the better utilization of own funds.

The above table also shows that the relationship between net working capital and net sales. During the study periods, the sales are more than the working capital. It was negative net working capital in the year 2005-06 and the ratio is -955.11 and as the sale has increased in the year 2006-07 so the ratio -61.90 and increasing trend. As the sales increased and working capital also increasing and the ratio now moved up to 16.58 times in the year 2014-15.

Table 3: Fixed Assets Turnover Ratio and Total Assets Turnover Ratio

<table>
<thead>
<tr>
<th>Years</th>
<th>Net Sales</th>
<th>Fixed Assets</th>
<th>FATO Ratio</th>
<th>Total Assets</th>
<th>Net Sales</th>
<th>TATO Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2006</td>
<td>822.90</td>
<td>500.87</td>
<td>1.64</td>
<td>678.56</td>
<td>822.90</td>
<td>0.82</td>
</tr>
<tr>
<td>2006-2007</td>
<td>1059.24</td>
<td>714.00</td>
<td>1.48</td>
<td>915.22</td>
<td>1059.24</td>
<td>0.86</td>
</tr>
<tr>
<td>2007-2008</td>
<td>1297.54</td>
<td>851.73</td>
<td>1.52</td>
<td>1203.47</td>
<td>1297.54</td>
<td>0.92</td>
</tr>
<tr>
<td>2008-2009</td>
<td>1806.61</td>
<td>1047.94</td>
<td>1.72</td>
<td>1357.42</td>
<td>1806.61</td>
<td>0.75</td>
</tr>
<tr>
<td>2009-2010</td>
<td>1624.85</td>
<td>1146.38</td>
<td>1.41</td>
<td>1470.20</td>
<td>1624.85</td>
<td>0.90</td>
</tr>
<tr>
<td>2010-2011</td>
<td>1813.19</td>
<td>1379.65</td>
<td>1.31</td>
<td>1861.30</td>
<td>1813.19</td>
<td>1.02</td>
</tr>
<tr>
<td>2011-2012</td>
<td>2186.41</td>
<td>1771.74</td>
<td>1.23</td>
<td>2207.34</td>
<td>2186.41</td>
<td>1.00</td>
</tr>
<tr>
<td>2012-2013</td>
<td>2994.74</td>
<td>1806.37</td>
<td>1.65</td>
<td>2452.16</td>
<td>2994.74</td>
<td>0.81</td>
</tr>
<tr>
<td>2013-2014</td>
<td>3526.50</td>
<td>1860.78</td>
<td>1.89</td>
<td>2720.43</td>
<td>3526.50</td>
<td>0.77</td>
</tr>
<tr>
<td>2014-2015</td>
<td>3322.54</td>
<td>2182.97</td>
<td>1.52</td>
<td>2830.75</td>
<td>3322.54</td>
<td>0.85</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation and Analysis

The above table shows that the relationship between the total assets to net sales. During all the study period of years, the relationship between sales to total assets is high. The ratio increased from 0.82 (2007-06) to 0.85 (2014-15) due to the heavy increase in the sales. Thus, the company’s sales were almost not directly proportionately in the first three years of the study.
The above table shows that the relationship between the fixed assets and sales. The sale is almost 1 time more than the fixed assets from 2005-06 to 2014-15. It is more than 1 times during 2009-10. It can be observed that in the year 2013-14 the fixed assets value increased a lot and which shows that there is an additions made to the fixed assets, similarly the sales was also increased.

Table-4: Gross Profit Ratio and Net Profit Ratio

<table>
<thead>
<tr>
<th>Years</th>
<th>Gross Profit</th>
<th>Net Sales</th>
<th>GP Ratio</th>
<th>Net Profit</th>
<th>Net Sales</th>
<th>NP Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2006</td>
<td>137.80</td>
<td>822.90</td>
<td>0.16</td>
<td>41.61</td>
<td>822.90</td>
<td>0.05</td>
</tr>
<tr>
<td>2006-2007</td>
<td>154.45</td>
<td>1059.24</td>
<td>0.14</td>
<td>60.05</td>
<td>1059.24</td>
<td>0.05</td>
</tr>
<tr>
<td>2007-2008</td>
<td>276.79</td>
<td>1297.54</td>
<td>0.21</td>
<td>104.77</td>
<td>1297.54</td>
<td>0.08</td>
</tr>
<tr>
<td>2008-2009</td>
<td>567.42</td>
<td>1806.61</td>
<td>0.31</td>
<td>289.07</td>
<td>1806.61</td>
<td>0.15</td>
</tr>
<tr>
<td>2009-2010</td>
<td>351.76</td>
<td>1624.85</td>
<td>0.21</td>
<td>138.73</td>
<td>1624.85</td>
<td>0.08</td>
</tr>
<tr>
<td>2010-2011</td>
<td>468.90</td>
<td>1813.19</td>
<td>0.25</td>
<td>163.28</td>
<td>1813.19</td>
<td>0.09</td>
</tr>
<tr>
<td>2011-2012</td>
<td>594.58</td>
<td>2186.41</td>
<td>0.27</td>
<td>309.42</td>
<td>2186.41</td>
<td>0.14</td>
</tr>
<tr>
<td>2012-2013</td>
<td>808.47</td>
<td>2994.74</td>
<td>0.26</td>
<td>483.44</td>
<td>2994.74</td>
<td>0.16</td>
</tr>
<tr>
<td>2013-2014</td>
<td>824.10</td>
<td>3526.50</td>
<td>0.23</td>
<td>387.38</td>
<td>3526.50</td>
<td>0.10</td>
</tr>
<tr>
<td>2014-2015</td>
<td>577.76</td>
<td>3322.54</td>
<td>0.17</td>
<td>258.51</td>
<td>3322.54</td>
<td>0.07</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation and Analysis

The above table and diagram shows that the relationship between the gross profit and net sales in percentage. During 2005-06 the gross profit position was 0.16% and in the very next year it is reached to 0.14% and again increased to 0.21% and since then it was fluctuating and finally reached to 0.17% in the year 2014-15.

The above table and diagram shows that the relationship between net profit and net sales during 2004-05 it was 0.05% on sales and in 2007-08, it was 0.08%. However, in all other years it is more than 0.08%. This means that there is neither any defect in pricing the product or excess non-value added expenditures, which reduces the net profit of the company. The sales of the organization are also increasing. Hence, the management is taking care of the quality and market situations, so that it brings good profits to the organization.

SUGGESTIONS

The company’s profit over the years has been increasing when compared to previous years but gaining low profit. The company must increase the profit in future. The company must take steps to increase the profit level. The Gross Profit ratio can be improved by increasing the gross profit and the factors decreasing the gross profit ratio should be thoroughly checked timely whether they are operating factors or any misleading factors. Management should take initiative steps for the proper utilization of the resources.

The liquidity position of the company quite satisfactory and this can be improved further for the purpose of proper utilization of the liquid assets of the company. The sales of the organization can be further increased by improving the quality through optimum utilization of company's resources (i.e. assets, raw materials, credit system, etc.) and that in turn will increase the overall profits of the organization. To increase in sales revenue by adopting better methods of price negotiation. In overall, it is suggested that the company has to improve its production and productivity by mechanizing more its production process and subsequently making profits consistently.

CONCLUSION

On studying the financial performance of SRF Company for a period of ten years from 2005 to 2015, the study reveals that the financial performance is better. SRF COMPANY has been maintaining good financial performance and further it can improve if the company concentrates on increase in sales and Profit. The company should increase sales volume as well as gross profit. Despite price drops in various products, the company has been able to maintain and grow its market share to make strong margins in market, contributing to the strong financial position of the company.

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RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE AND EMPATHY AMONG ACADEMICIANS: A CONCEPTUAL STUDY

M. Manoj Kumar32 M. Balaraman33

ABSTRACT

Empathy is often defined as the feeling that you understand and share another person’s experiences and emotions. The ability to share someone else’s feelings. It is often characterized by the saying “put yourself in another one’s shoe”. Academicians consider that empathetic communication as a teachable, learnable as powerful communication tools increases efficiency and honors learners. Emotional intelligence is often measured as EQ, which is defined as the ability capacity or skill to identify, manage the emotions of oneself, of others and of groups. This paper aims to display the concept of EI and empathy and their importance. Emotional Intelligence is an important factor for teacher’s success. The purpose of this paper is to investigate the impact of Emotional Intelligence and Empathy among the academicians in Indian higher education institutions.

KEYWORDS

Emotional Intelligence, Empathy, Communication Skills etc.

INTRODUCTION

EI is the concept including perception, self-control, expressions, control of emotions and empathy. In 1991 Daniel Goleman’s book “The EI: Why EQ is more important than IQ?”

Goleman D (1998) argues that the effectiveness of communication was pointed out in that book. Emotional intelligence is someone’s ability: (a) to understand his feelings, (b) to listen to others and to feel them, and (c) to express his emotions in a productive manner. The eighth essential attribute for Academician is Empathy and Emotional Intelligence. Empathy and Emotional Intelligence follow the first attribute, self-discipline. The self-discipline that is the foundation of all future oriented goals allows the professional person to set aside their thoughts, their feelings, and their emotions and to instead focus on feeling what another person is feeling. It allows them to control their communication. The second attribute, optimism. Optimism enables you to turn your empathy and emotional intelligence into a positive experience for other people. The third attribute, competitiveness. Competitiveness may get you in front of a prospect, but it is your empathy and your emotional intelligence that creates the connection between students and management.

The fourth attribute, initiative, because to act empathetically and with emotional intelligence is a proactive approach to understanding how other people feel before acting. It couples the ability to act with the ability to include other’s needs. The fifth attribute, resourcefulness - empathy and emotional intelligence allow your resourcefulness to be leveraged with the thoughts and ideas of the people on whom your success depends. The sixth attribute, determination. Being determined requires action, action often involving other people. Empathy and emotional intelligence enable that determination to be coupled with a deep understanding other people’s needs, their thoughts, and their emotions.

Empathy and Emotional Intelligence follow Caring. Caring is what underlies both the ability and the intention to act empathetically and with emotional intelligence.

Figure-1: Attributes of Empathy and Emotional Intelligence

Sources: Authors Compilation

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Empathy is the ability to feel what the other person is feeling. It is to experience their emotions. Emotional intelligence is the ability to manage your own emotions, as well as the emotions of others. This is a skill that all great communicators possess. Empathy and emotional intelligence work together in Academics, enabled by caring, to produce long-lasting relationships. Together they are the foundation of trust.

**Empathy**

Empathy was a term coined by Theodine Lipps a German Psychologist, Gagan in 1983 indicates that empathy is the ability to perceive one’s feelings on one hand while transmitting them on the other. Empathy should characterize teachers and learners communication in order to achieve desired academic records. In 2002, Fairbairn describes the difference between empathy and sympathy. Sympathy is an emotional reaction which is immediate and uncontrollable where empathy is to put ourselves in others position. Empathy can be expressive in terms of joy, sorrow, excitement pain, confusion and misery. LeCompte A 2000 “the ability to see the world through someone else’s eyes.” This is an attempt to live and feeling some way.

**CHARACTERISTICS OF EMPATHY IN LEARNING**

Empathy is important in understanding and learning new concepts. They are crucial in developing ideas and solutions in problem solving effective communication and preventing conflicts. In achieving teamwork excellence, we should encourage people to understand their expectation their objective to solve problems. Empathy, an ability that has its basis in emotional awareness, is a fundamental human skill. Empathetic people are more amenable to silence social signals indicating what other people may want or need (Leiberg S, Anders S 2006). This makes them better in professions related to community outreach, teaching, sales and administration. Fleiss introduced the process of identification in empathy (“trial identification”) via “becoming” the patient. After gaining understanding of the patient, the analyst project understanding back to the patient. Fleiss (1942) uses the oscillation between observer-participant-observer in his description. Greenson’s (1960) model presents in detail the therapist’s experience of empathy. His description of the working model is a central part of this experience. As he oscillates from observer to participant to observer, he speaks of his reactions to the patient progressively. An “aha” is reached, and he communicates this understanding to the patient. Jordan (1991) describes an initial “surrender of affective arousal,” leading to a “temporary identification.” Through affective connection with and cognitive separateness from the other, one can help the other understand his/her world better.

**EMOTIONAL INTELLIGENCE:**

Emotional intelligence is often measured as EQ, which is defined as the ability capacity or skill to identify, manage the emotions of oneself, of others and of groups. Emotional intelligence is defined as the ability to control someone’s wishes and to delay their fulfillment, to regulate others’ mood, to isolate feeling from thinking, to place you into another’s shoes and to hope. In addition, it includes a range of skills such as self-control, persistence, zeal and ability to motivate others (Davies M.et all 1998).

According to Goleman D. (1998), emotional intelligence involves the following elements: self-awareness, empathy, handling relationships, managing feelings, motivation. There is no magic number for the multiplicity of human talent, but you can sort these capabilities in five key areas:

- Knowing our feelings.
- Controlling our emotions.
- Exploration of incentives
- Recognition of other person’s emotions
- Handling relations.

**THE ELEMENTS OF EMOTIONAL INTELLIGENCE**

In general there are five elements of Emotional intelligence, they are Self-awareness, Self-management, motivation, Empathy, Social Skills.

- **Self-Awareness:** Self-Awareness is the ability of an individual to know about his/her emotions. This makes a lot of difference in various situations like decision-making, knowing our weakness and strengths etc.
- **Motivation:** Motivation is being guided by personal preferences in choosing goals, this element of EI is very important in situations like performing well in competitive exams, interviews etc.
- **Self-Management:** Self-management may be considered as the next level to self-awareness; this includes controlling anger, controlling stress etc. This is very important for Conscientiousness. Conscientiousness is the personality trait of being thorough, careful, or vigilant. Conscientiousness implies a desire to do a task well. Conscientious people are efficient and organized as opposed to easy-going and disorderly.
• **Empathy**: Empathy is seeing us in other’s position, feeling their pain. This element of Emotional intelligence is important in situations like social works, maintaining relationships etc.

- **Social Skills**: Social skill is any skill facilitating interaction and communication with others. Social rules and relations are created, communicated, and changed in verbal and nonverbal ways. The process of learning these skills is called socialization.

**TYPES OF EI**

According to Golemann EI, have five elements like self-awareness, Empathy, Handling relationship, managing feelings and motivation. Gottman J (2000) proposes the following stages of emotional education:

- Awareness of student’s feelings,
- Recognition,
- Hearing with empathy and confirm student’s feelings,
- Help the student to name his feelings,
- Setting limits while helping to explore strategies for problem solving,
- Recognition and Setting targets,
- Thoughts on possible solutions,
- Assessment of proposed solutions on the basis of family values,
- Helping the child to choose a solution (Plomaritou V., 2006).

**TEACHING STRATEGIES**

EI’s main objective is to be aware of our own feelings, to recognize them, to name them and to express in productive manner. It is important key must be remembered that each learner is unique and the teaching strategies must be unique in a mixture of Empathy an EI.

- Teamwork is very important nowadays in teaching, as learners do not want any teacher to give lectures and force them to learn. Instead, they want a team activity, which could make them understand the concepts.
- Students should also listen to other fellow students.
- Teachers should also listen and understand their students to achieve academic excellence.

**DISCUSSION**

Emotional Intelligence is the ability to handle our emotions and our relations in a way that leads to excellence. People who have Emotional intelligence are fed by contacting others. Jordan, Greenson, and Fleiss all follow the concept of oscillation from observer to participant to observer. In addition, all describe an important role to the concept of identification in empathy. They also recognize others feelings allowing their expression, they with stand negotiation and they can protect themselves from any negations emotions, and So EI is very important factor to achieve excellent results in teaching.

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PERFORMANCE MEASURES OF INDIAN MUTUAL FUND INDUSTRY: A STUDY WITH SPECIAL REFERENCE TO GROWTH FUNDS INVESTED IN SELECTED INFRASTRUCTURE SCHEMES

R. Malini\(^{34}\) A. Meharaj Banu\(^{35}\)

ABSTRACT

Mutual fund provides a readymade option to households for portfolio diversification as well as relative risk aversion through collecting and investing their savings in different risk-return profile instruments. Mutual fund performance was depends on the performance of portfolio. This performance evaluation would help the investor to check the prime idea of “putting all eggs in different baskets” behind mutual funds.

This paper attempted to evaluate the performance of selected growth infrastructure mutual fund schemes in terms of risk and return relationship. The main objective of this paper is to evaluate the performance of selected infrastructure schemes based on growth by using various performance measures (Sharpe Measure, Treynor Measure and Jensen Alpha Measure) and rank the selected infrastructure growth related mutual fund schemes by using their benchmark portfolio. The period of the study was 5 years i.e. 2011 to 2015. The data relating Net Asset Values were collected from the Associate Mutual Funds of India. \(R_p\) and \(R_m\) were calculated on Annual returns. The supportive data S&P CNX Nifty index was collected through National Stock Exchange website. It has been used as a benchmark portfolio to study the performance of selected growth related infrastructure mutual fund schemes. For analyzing the selected growth infrastructure mutual fund schemes Risk and Return, Standard Deviation, Covariance, Beta, Sharpe’s, Treynor’s and Jenson’s Alpha measures has been used. This study is very much helpful for the small investors to assess the fund’s performance.

KEYWORDS

Net Asset Value, Benchmark, Infrastructure, Dividend, Beta, Covariance, Standard Deviation, Sharpe’s, Treynor’s, Jenson’s Alpha, Performance etc.

INTRODUCTION

Mutual funds are one of the best investments ever created because they are very cost efficient and very easy to invest in. Thus, the Rupee is generated in the form of big returns to promote financial excellence. Mutual fund provides a readymade option to households for portfolio diversification as well as relative risk aversion through collecting and investing their savings in different risk-return profile instruments. Mutual fund performance was depends on the performance of portfolio. If the mutual fund schemes performance was underperformed in the portfolio, which can effect or hurt the investment decisions of investors and may get them out from the scenario of wealth creation process.

For saving investors’ money from risk hazard, it is very essential to evaluate the performance of mutual fund portfolio so that investors can take proper judgment for their investment decisions rationally. This performance evaluation would help the investor to check the prime idea of “putting all eggs in different baskets” behind mutual funds. The evaluation of portfolio performance is important because, the investors and the fund managers whose funds have been invested or managed need to know the relative performance of the portfolio. It will generate and provide information that will help the investor and fund manager to assess any need for rebalancing of the investments and it helps the small investors to make selection of a fund for their investment.

STATEMENT OF PROBLEM

Infrastructure mutual fund schemes are an emerging investment area. However, corporate investors have many confusions in selecting the best infrastructure mutual fund schemes for their investment, because they invest in growth infrastructure schemes in order to update their corporate firm’s infrastructure. This paper aims to measure the performance of selected growth infrastructure mutual fund schemes based on risk and return. It helps the small corporate investors to select the best infrastructure mutual fund scheme for their investment.

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OBJECTIVES OF STUDY

- To compare the various growth infrastructure mutual fund schemes;
- To measure the performance of selected growth infrastructure schemes in terms of Risk and Return;
- To evaluate the selected growth infrastructure mutual fund schemes based on various performance measures.

HYPOTHESIS OF STUDY

- H01: There is no significant difference between infrastructure mutual fund schemes returns and their Benchmark returns.
- H02: There is no significant difference between the risk adjusted portfolio evaluation measures of sample schemes.

METHODOLOGY OF STUDY

This study was based on secondary data. The sample consists of Net Asset Value of selected growth infrastructure mutual fund schemes and the supportive data were collected in S&P CNX NIFTY. This index was used as a proxy. Portfolio Return and Market Return were calculated annually. The data relating to NAV of selected infrastructure mutual fund growth schemes were collected from the AMFI India (Association of Mutual Funds in India) website i.e., www.amfiindia.com, and the proxy data relating to S&P CNX NIFTY index was collected from the NSE India (National Stock Exchange India) website i.e., www.nseindia.com

Sample of the Study

The sample consists of four infrastructure mutual fund schemes which are all specifically in growth basis. All schemes are in growth option infrastructure schemes and the sample was selected through systematic sampling method. The period of the study was 5 years i.e. 2011 to 2015. The sample growth related infrastructure mutual fund schemes are as follows:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Sample Infrastructure Schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Birla Sun Life Infrastructure Fund (G)</td>
</tr>
<tr>
<td>2</td>
<td>BOI AXA Infrastructure Fund(G)</td>
</tr>
<tr>
<td>3</td>
<td>DSPBR India T.I.G.E.R Infrastructure Fund (G)</td>
</tr>
<tr>
<td>4</td>
<td>ICICI Prudential Infrastructure Fund (G)</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Techniques of Analysis

To evaluate the soundness of selected growth related infrastructure mutual fund schemes by using the tools namely Risk, Return, Standard Deviation, Covariance, Beta, Sharpe’s, Trainor’s and Jensen’s Measure.

<table>
<thead>
<tr>
<th>Calculation of Return</th>
<th>(P1-P0/P0)100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard deviation</td>
<td>√D²/N</td>
</tr>
<tr>
<td>β (Beta value)</td>
<td>covariance/σm×σm</td>
</tr>
<tr>
<td>Sharpe’s Measure</td>
<td>(Rm–Rf)/σ</td>
</tr>
<tr>
<td>Treynor’s Measure</td>
<td>(Rm-Rf)/β</td>
</tr>
<tr>
<td>Jensen’s Measure</td>
<td>(R- Rm)</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

REVIEW OF LITERATURE

Mr. Sunil M. Adhav, Dr. Pratap M. Chauhan (2015), their research is an attempt to study comparative performance of mutual funds of selected Indian companies. The study focus on mutual fund schemes of selected Indian companies comprising Equity, Debt and Hybrid Schemes. The total of 390 schemes comprising of 178 equity mutual funds, 138 debt schemes and 74 hybrid schemes are selected for the study. The performance is analyzed with the help of Return, risk (standard Deviation), and Sharpe ratio. In addition, the selected mutual funds are compared with their respective benchmark. Thus, it is concluded that Equity, Debt and Hybrid mutual funds have performed better than their benchmark and generated better returns for the investors.
Francis Gnanasekar and Maliki (2015), attempted to study the performance evaluation of selected dividend infrastructure mutual fund schemes in terms of risk and return relationship. The main objective of this paper was to evaluate the performance of selected infrastructure schemes based on dividend by using various performance measures and rankings of selected schemes by their outstanding performance with its benchmark portfolio. The study period has been taken from 1st April 2010 to 31st March 2015. Rp and Rm were calculated on Quarterly returns. For analyzing the selected schemes Standard Deviation, Covariance, Beta, Sharpe’s, Treynor’s and Jensen’s Alpha measures has been used.

Francis Gnanasekar and Malini (2016), attempted to evaluate the soundness of selected infrastructure mutual fund scheme of state bank of India from 2010 to 2014. In this paper, they discussed the points that the infrastructure sector is one of growing sector in Indian economy. The power of Indian economy lies on the development of infrastructure. If we have the proper infrastructure in the form of transport, power, and bridges and so on, we can easily reach the target of our GDP in the forthcoming 12th plan. An effort is made to evaluate the performance of SBI infrastructure mutual fund schemes, based on portfolio returns compared to benchmark returns. NAV values were collected from the AMFI India. The data relating to S&P CNX Nifty index is collected from the NSE India. Thus, it is analyzed by using Risk-return analysis, Sharpe's Measure and Treynor's Measure to evaluate the performance. Sharpe Measure and Treynor Measure are often used to rank the performance of the portfolio or mutual fund managers. The analytical results further reveal that SBI Infrastructure Fund Dividend and SBI Infrastructure Fund Growth schemes were a superior performance.

Table-3: Average Return of Growth Infrastructure Mutual Fund Schemes

(Computed on Annual Basis)

<table>
<thead>
<tr>
<th>NAME OF THE SCHEMES</th>
<th>AVERAGE RETURN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>BOI AXA MFG INFRA FUND (G)</td>
<td>8.8117</td>
</tr>
<tr>
<td>DSPBR INDIA T.I.G.E.R FUND REG (G)</td>
<td>41.4393</td>
</tr>
<tr>
<td>ICICI PRU INFRASTRUCTURE FUND (G)</td>
<td>27.0308</td>
</tr>
</tbody>
</table>

Table-3 indicates that the average return of growth related infrastructure mutual fund schemes. In that DSPBR India infrastructure mutual fund (G) provides the highest return among the selected schemes shown in the table i.e.49.3335. So on the basis of returns, DSPBR India infrastructure mutual fund (G) was given a favorable return to their investors.

Table-4: Average Annual Risks, Returns and Covariance of Birla & S&P CNX Nifty Index

(Computed on Annual Basis)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>BIRLA NAV</th>
<th>R</th>
<th>D</th>
<th>D2 (RISK)</th>
<th>ANNUAL S&amp;P</th>
<th>R</th>
<th>D</th>
<th>d2 (MARKET RISK)</th>
<th>d^d = COV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>179.6</td>
<td>-3.51</td>
<td>-20.35</td>
<td>414.03</td>
<td>1341286.55</td>
<td>1.77</td>
<td>3.87</td>
<td>14.97</td>
<td>-78.72</td>
</tr>
<tr>
<td>2012</td>
<td>173.3</td>
<td>-2.25</td>
<td>-19.09</td>
<td>364.44</td>
<td>1478976.30</td>
<td>10.27</td>
<td>10.27</td>
<td>105.38</td>
<td>-195.97</td>
</tr>
<tr>
<td>2013</td>
<td>169.4</td>
<td>48.64</td>
<td>31.80</td>
<td>1011.38</td>
<td>1795913.95</td>
<td>21.43</td>
<td>21.43</td>
<td>459.22</td>
<td>681.51</td>
</tr>
<tr>
<td>2015</td>
<td>313.4</td>
<td>24.46</td>
<td>7.62</td>
<td>58.12</td>
<td>1044102.75</td>
<td>-41.86</td>
<td>-41.86</td>
<td>1752.45</td>
<td>-319.15</td>
</tr>
<tr>
<td>TOTAL</td>
<td>67.35</td>
<td>1847.98</td>
<td>-8.40</td>
<td>2332.03</td>
<td>87.66</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: www.amfiindia.com, www.nseindia.com

Table-4 illustrates the performance of Birla & S&P CNX Nifty Index with respect to their average annual returns, risks, and covariance. The study period has been taken from 1st April 2010 to 31st March 2015. The data relating to S&P CNX Nifty index is collected from the NSE India. Thus, it is analyzed by using various risk-return analysis measures such as Portfolio Return (R), Portfolio Risk (σp), Market Return (Rm), Market Risk (σm), Covariance, Beta (β), Risk Free Rate (Rf), Sharpe’s Measure, Treynor’s Measure, and Jensen’s Alpha Measure.

Portfolio Return (R): 16.84
Portfolio Risk (σp): 21.49
Market Return (Rm): -2.10
Market Risk (σm): 24.15
Covariance: 21.92
Beta (β): 0.04
Risk Free Rate (Rf): 0.012
Sharpe’s Measure: 0.78
Treynor’s Measure: 447.58
Jensen’s Alpha Measure: 21.88

Sources: Authors Compilation

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Table-5: Average Annual Risks, Returns and Covariance of BOI & S&P CNX Nifty Index
(Computed on Annual Basis)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>BOI NAV</th>
<th>R</th>
<th>D</th>
<th>D2 (RISK)</th>
<th>ANNUAL S&amp;P</th>
<th>R</th>
<th>D</th>
<th>d2 (MARKET RISK)</th>
<th>D*D = COV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>105.7</td>
<td>1</td>
<td>18.8</td>
<td>1317970.40</td>
<td>118.7</td>
<td>3.87</td>
<td>14.97</td>
<td>-72.85</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>96.41</td>
<td>-12.8</td>
<td>-1341286.55</td>
<td>1.77</td>
<td>3.87</td>
<td>14.97</td>
<td>-72.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>88.85</td>
<td>-12.8</td>
<td>-1478976.30</td>
<td>10.27</td>
<td>10.27</td>
<td>105.38</td>
<td>-80.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>121.3</td>
<td>36.5</td>
<td>36.52</td>
<td>1795913.95</td>
<td>21.43</td>
<td>21.43</td>
<td>459.22</td>
<td>782.65</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>145.9</td>
<td>20.3</td>
<td>20.28</td>
<td>1044102.75</td>
<td>-41.86</td>
<td>-41.86</td>
<td>1752.45</td>
<td>-848.98</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>40.17</td>
<td>2161.30</td>
<td>-8.40</td>
<td>2332.03</td>
<td>-219.68</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: www.amfiindia.com, www.nseindia.com

Table-6: Average Annual Risks, Returns and Covariance of DSPBR & S&P CNX Nifty Index
(Computed on Annual Basis)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>DSPBR NAV</th>
<th>R</th>
<th>D</th>
<th>D2 (RISK)</th>
<th>ANNUAL S&amp;P</th>
<th>R</th>
<th>D</th>
<th>d2 (MARKET RISK)</th>
<th>D*D = COV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>497.27</td>
<td>-1.28</td>
<td>-16.43</td>
<td>1317970.40</td>
<td>1.77</td>
<td>3.87</td>
<td>14.97</td>
<td>-63.56</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>490.91</td>
<td>-1.28</td>
<td>-16.43</td>
<td>1317970.40</td>
<td>1.77</td>
<td>3.87</td>
<td>14.97</td>
<td>-63.56</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>477.43</td>
<td>-2.75</td>
<td>-2.75</td>
<td>1478976.30</td>
<td>10.27</td>
<td>10.27</td>
<td>105.38</td>
<td>-28.19</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>660.27</td>
<td>38.3</td>
<td>38.30</td>
<td>1478976.30</td>
<td>21.43</td>
<td>21.43</td>
<td>459.22</td>
<td>820.68</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>834.13</td>
<td>26.3</td>
<td>26.33</td>
<td>1044102.75</td>
<td>-41.86</td>
<td>-41.86</td>
<td>1752.45</td>
<td>-1102.30</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>60.60</td>
<td>2437.47</td>
<td>-8.40</td>
<td>2332.03</td>
<td>-373.37</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: www.amfiindia.com, www.nseindia.com

Sources: Authors Compilation
Table 7: Average Annual Risks, Returns and Covariance of ICICI & S&P CNX Nifty Index

(Computed on Annual Basis)

<table>
<thead>
<tr>
<th>Year</th>
<th>ICICI NAV</th>
<th>R</th>
<th>D</th>
<th>D2 (RISK)</th>
<th>ANNUAL S&amp;P</th>
<th>R</th>
<th>D</th>
<th>d2 (MARKET RISK)</th>
<th>D^d = COV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>324.40</td>
<td></td>
<td></td>
<td>1317970.40</td>
<td>1341286.55</td>
<td>1.77</td>
<td>3.87</td>
<td>14.97</td>
<td>-71.78</td>
</tr>
<tr>
<td>2012</td>
<td>305.40</td>
<td>-5.86</td>
<td>-18.55</td>
<td>344.23</td>
<td>1478976.30</td>
<td>10.27</td>
<td>10.27</td>
<td>105.38</td>
<td>-34.96</td>
</tr>
<tr>
<td>2013</td>
<td>295.00</td>
<td>-3.41</td>
<td>11.597</td>
<td>419.18</td>
<td>1044102.75</td>
<td>-41.86</td>
<td>-18.41</td>
<td>1752.45</td>
<td>-832.18</td>
</tr>
<tr>
<td>2014</td>
<td>413.50</td>
<td>40.2</td>
<td>40.17</td>
<td>1613.6</td>
<td>1079513.95</td>
<td>21.43</td>
<td>21.43</td>
<td>459.22</td>
<td>860.81</td>
</tr>
<tr>
<td>2015</td>
<td>495.70</td>
<td>19.9</td>
<td>19.88</td>
<td>395.18</td>
<td>1752.45</td>
<td>1752.45</td>
<td>832.18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL 50.79 2364.60 -8.40 2332.03 -78.11

Sources: www.amfiindia.com, www.nseindia.com

Table 8: Performance of Selected Infrastructure Mutual Fund Schemes (Growth Option)

<table>
<thead>
<tr>
<th>INFRASTRUCTURE SCHEMES</th>
<th>AVERAGE RETURN</th>
<th>RISK</th>
<th>BETA</th>
<th>SHARPE'S MEASURE</th>
<th>TREYNOR'S MEASURE</th>
<th>JENSEN'S MEASURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIRLA SL INFRASTRUCTURE FUND (G)</td>
<td>16.8370</td>
<td>21.4941</td>
<td>0.0376</td>
<td>0.7828</td>
<td>447.5758</td>
<td>21.8784</td>
</tr>
<tr>
<td>BOI AXA MFG INFRA FUND (G)</td>
<td>10.0430</td>
<td>23.2449</td>
<td>0.0942</td>
<td>0.4315</td>
<td>-106.4858</td>
<td>-54.8252</td>
</tr>
<tr>
<td>DSPBR INDIA T.I.G.E.R FUND REG (G)</td>
<td>15.1509</td>
<td>24.6854</td>
<td>0.1601</td>
<td>0.6133</td>
<td>-94.5548</td>
<td>-93.1831</td>
</tr>
<tr>
<td>ICICI PRU INFRASTRUCTURE FUND (G)</td>
<td>12.6966</td>
<td>24.3136</td>
<td>0.0335</td>
<td>0.5217</td>
<td>-378.7255</td>
<td>-19.4930</td>
</tr>
</tbody>
</table>

Sources: www.amfiindia.com, www.nseindia.com

Table 8 indicates the performance of selected infrastructure mutual fund schemes (Growth Option). In that Birla Sun Life Infrastructure Fund (G) shows high returns (R) among the selected sample infrastructure schemes. When compared to companies’ risk (σ) and the market risk (β) DSPBR and ICICI has higher risk and Birla Sun Life has low risk. The above performance measures ratio of sample companies Birla Sun Life Infrastructure Fund (G) performance is better when compared to other sample schemes.

Table 9: Ranking of Selected Infrastructure Mutual Fund Schemes (Growth Option)

<table>
<thead>
<tr>
<th>INFRASTRUCTURE SCHEMES</th>
<th>SHARPE'S MEASURE</th>
<th>RANK</th>
<th>TREYNOR'S MEASURE</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIRLA SL INFRASTRUCTURE FUND (G)</td>
<td>0.7828</td>
<td>1</td>
<td>447.5758</td>
<td>1</td>
</tr>
<tr>
<td>BOI AXA MFG INFRA FUND (G)</td>
<td>0.4315</td>
<td>4</td>
<td>-106.4858</td>
<td>3</td>
</tr>
<tr>
<td>DSPBR INDIA T.I.G.E.R FUND REG (G)</td>
<td>0.6133</td>
<td>2</td>
<td>-94.5548</td>
<td>2</td>
</tr>
<tr>
<td>ICICI PRU INFRASTRUCTURE FUND (G)</td>
<td>0.5217</td>
<td>3</td>
<td>-378.7255</td>
<td>4</td>
</tr>
</tbody>
</table>

Sources: www.amfiindia.com, www.nseindia.com
Table-9 describes the ranking of selected infrastructure mutual fund schemes (Growth Option). When compared to Sharpe’s and Treynor’s performance measures the top performing scheme was Birla Sun Life Infrastructure Fund (G). This scheme ranked as first. The second outperformed scheme was DSPBR India T.I.G.E.R Infrastructure Fund (G), and the remaining infrastructure schemes are not performed well and having high risk and low return.

RESULTS

- Birla Sun Life Infrastructure Fund (G) gives greater returns (R) to the investors when compared to the remaining sample infrastructure schemes.
- When compared to portfolio risk (σ) and the market risk (ß) DSPBR and ICICI has greater risk and Birla Sun Life has stumpy risk.
- Birla Sun Life Infrastructure Fund (G) shows small amount of risk among the selected sample infrastructure schemes.
- Birla Sun Life Infrastructure Fund (G) performance is superior when compared to the remaining selected infrastructure schemes.
- When compared to Sharpe’s and Treynor’s performance measures the first apex performs scheme was Birla Sun Life Infrastructure Fund (G).
- DSPBR India T.I.G.E.R Infrastructure Fund (G) scheme is not performed well and also having high risk and low return.

CONCLUSION

The infrastructure mutual fund schemes are one of the best investment sources available for Indian corporate investors to make an investment. In mutual fund industry the most innovative schemes were infrastructure schemes which are really emerging one. These infrastructure mutual fund schemes will help the small corporate investors in order to improve their modernization infrastructure facilities in their corporate firms. Corporate investors must thoroughly assess the performance of infrastructure mutual funds by using different performance measures. Then only it may give better returns with little savings. Sharpe’s, Treynor’s and Jensen’s Alpha performance measures are very much helpful for the assessor and corporate investors to analyze the infrastructure schemes performance.

Mutual fund performance was depends on the performance of portfolio, therefore for the risk averse investors there are so many various investment alternatives available apart from the mutual funds in order to avoid risk. The analysis highlights that, out of the selected infrastructure mutual fund schemes (Growth Option), Birla Sun Life Infrastructure Fund (G) is outperformed scheme and marked as first rank in Sharpe’s and Treynor’s measures. DSPBR India T.I.G.E.R Infrastructure Fund (G) scheme is not performed well and its shows high risk and low return. These are very much helpful for the small investors and evaluator to assess the performance of growth infrastructure mutual fund schemes.

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6. Retrieved on 12.05.2016 from www.ijrcm.org.in

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REPURCHASE INTENTIONS IN A RETAIL STORE: EXPLORING THE IMPACT OF STORE ENVIRONMENT

S. Catherine

ABSTRACT

The purpose of the paper is to explore the elements that influence customer loyalty in different dominant store environments in a retail store that sells groceries. This paper explores the relationship between customer loyalty that influences the store environment, relationship with sales personnel and repurchase intentions. A Conceptual study is conducted using three different store environments in a retail store that sells groceries by conducting qualitative analyses. Based on research findings, exploring store environment is found to be the most influential element that boosts repurchase intentions. The design of the store environment is generally the first visual sensation noticed by the consumer. The research contributes to the existing body of knowledge on the influence of store environment on repurchase intentions in the context of South Chennai culture.

KEYWORDS
Retail Store, Store Environment, Repurchase Intentions etc.

INTRODUCTION

India's retail market expected to double to $3.6 trillion by 2020. A FICCI-PwC report says the e-commerce market may also reach $125 billion in terms of gross merchandise value by 2020, growing at the rate of 31%. As convenience in grocery increases, the supermarket giant’s battle for domination, merging into identical generic monsters. The two major emotional states Pleasure and arousal are mediators of shopping behaviour in stores (Donovan, Rossiter, 1982). Involved subjects are found to magnify their evaluations of the shopping experience, subjects in good moods evaluate good experiences still better, and a bad shopping experience appears to cause mood-protection mechanisms to fail. Finally, consumer mood is shown to be affected by a bad shopping experience (William R Swinyard 1993).

Chaudhuri and Holbrook (2001) define brand trust as “the willingness of the average consumer to rely on the ability of the store environment to perform its stated function” and believe that it leads to both purchase and attitudinal loyalty.

THEORETICAL BACKGROUND

Store Environment

The consumer’s perception (sensory system) has been investigated since the beginning of consumer behaviour theory systematization (Solomon, 2008).

Retailers are known to design store environments in a manner that will enhance consumers’ positive feelings, under the assumption that this will lead to desired consumer behaviors, such as a higher willingness to purchase or stay in the store for longer. The importance of store environment in enhancing the shopping experiences of consumers has long been appreciated. Baker et al (2002) study on the influence of store environment was on three types of store environment cues. This study shows a significantly positive influence of a store environment on consumer patronage. Three types of store environment cues were studied in their research: ambient, design, and social. Ambient cues refer to the background characteristics of a store, such as temperature, lighting, noise, music, and ambient scent.

Bitner (1992) argues that the physical environment of the store may elicit cognitive, emotional, and physiological responses, which will influence consumers’ approach or avoidance behavior in the retailing context.

Baker et al. (2002) in using three different environment cues as the store environment dimension: Store design cues, Store music cues, Store employee cues.

Approach behaviour may include staying longer in the store, spending more money, and/or buying more merchandise. Bitner also suggests that the strength and direction of the relation between store environment and a consumer’s response to the environment is moderated by personal and situational factors. Previous studies have shown that personality traits can influence person’s reaction

36Assistant Professor, Jeppiaar Engineering College, Tamil Nadu; Research Scholar, Sathyabama University, Tamil Nadu, India, cathesolo@gmail.com
to the physical surroundings (Mehrabian and Russell, 1974; Russell and Snodgrass, 1987). Several researchers have identified the effect of store atmosphere on the behaviour of consumers (Russell & Mehrabian, 1978), on the impact of store atmosphere on the behaviour of consumers is limited (Zeynep & Nilgun, 2011). The scope of consumer studies is narrow in the previous researches (Areni & Kim, 1994; Bitner, 1992). In reality, consumer behaviour is affected by several atmospheric cues collectively. J. Donovan and J. R. Rossiter (1982) study introduced the Mehrabian-Russell environmental psychology model into the store atmosphere literature. The present study used 60 female shoppers (aged 18–40 yrs), measured emotions during the shopping experience, and recorded the effects on actual shopping behaviour. Pleasure was a significant predictor of extra time spent in the store and actual incremental spending. The effects of pleasure and arousal were shown to factors such as variety and quality of merchandise, price and value for money. The practical significance for retailers is that emotional responses induced by the store environment can affect the time and money that consumers spend in the store. Shopper loyalty continues to be a hot topic for grocers in today’s competitive marketplace. Now even hard discounters who previously shunned loyalty programs are investigating loyalty programs as a competitive means to better satisfy customer needs. Oliver (1993) suggests that consumer mood will directly influence Customer loyalty/satisfaction.

**Store Environment Influencing in Repurchase Intention**

Customers’ repurchase intention or customer loyalty is acting as a key to Defensive Marketing strategies (Cronin et al., 2000). This research focuses on customer loyalty as the main determinant (independent variable) to repurchase intention (dependent variable) since many researchers have found a very strong relationship between customer satisfactions and repurchase intention. Consumers love low prices. No surprise there. However, in the grocery retail sector, consumers are particularly fond of price-based offers and promotions—a fact that has made loyalty cards a hit with both customers and grocery brands. When store design elements create an image similar to products/services the store is selling, consumer will search for additional information about products/services and they will explore retail store offering (Lam, 2001). Product Display and Cleanliness on consumer store choice decisions is very significant. (Wanninayake & Randiwela, 2007). The Lighting and Design Layouts moderately influenced their store choice behaviour. The overall conclusion is that visual merchandising has significant impact on store choice decision of customers in Sri Lanka.

**Relationship with Sales Personnel**

Store design positively influences perception of interpersonal service quality (Bitner, 1992). In a pleasant environment, consumers will ask for more information and start communicating with salespersons (Mitchell et al., 1995) Hu and Jasper (2006) good customer service translates to a positive perception of the store and its products. According to Thang and Tan (2003), receiving good service from the store’s personnel leaves a good impression on customers, which encourages loyalty and repurchase opportunities. Baker et al., (2002) refers to the degree of feeling consumers have for the stimuli of in-store “service staff,” including staff appearance, behaviour, and the friendliness, and helpfulness of retail staff. We use of the staff awareness scale developed by Baker et al. (2002), including the four dimensions of “staff appearance,” “staff behavior,” “number of staff,” and “professionalism of staff,” twelve questions in total. For example: “The sales staff of this store are dressed neatly and appropriately.”

**Cleanliness**

Cleanliness is the first impression for any retail chain outlet that improves the atmosphere, which affects the customers feeling while entering into the outlet. Customers create positive or negative WoM (Banat & Wandebori, 2012). Cleanliness can improve store atmosphere (Gajanayake, Gajanayake & Surangi (2011) Riaz Hussain, (2015). Cleanliness of a store creates positive impression among consumers and makes them stay longer in the store. Product display and Cleanliness are very important for the outlet selection (Wanninayake & Randiwela, 2007). Cleanliness of the outlets make customers to stay for more time in retail chain outlets and make more purchases (Yun & Good, 2007).

**Music**

Music can be defined as a pleasant sound that affects consumers’ conscious decisions (Banat & Wandebori, 2012). Music played in retail outlet significantly affects consumer purchase intention. Music styles deeply influence consumers in increasing sales of the retail outlets.

**Smell**

Presence or absence of scent in the retail chain outlets has noticeable impact on the consumer purchase intention. Scent is a pleasant fragrance that influences customer mood and emotions, which make the customers stay more time and feel excited (Banat & Wandebori, 2012). Right use of scents improves evaluations of products that are unfamiliar or not well liked (Morrin & Ratneshwar, 2000). Scent has a major effect on how consumer evaluates the merchandise (Spangenberg, 2006). The role of
salience of visual cues has produced exciting results such as biases interception of volume (Raghubir & Krishna, 1999; Wansink & Van Ittersum, 2003), distances (Raghubir & Krishna, 1996), taste (Hogg & Alba, 2007). The consequences of a strategy should be more fully explored; some recent research has begun to address these issues. For example, online product ratings, such as 5-star customer ratings on Amazon, com, are visual cues through which companies and consumers communicate. If a particular star rating (e.g., 5-star) is more salient than other ratings (e.g., 1-star), the higher attention to the salient rating could bias how consumers process other star ratings and how consumers make decisions based on online ratings (Lee & Raghubir, 2008).

**Temperature**

Temperature at retail outlet is among those atmospheric variables that greatly affect the consumer purchase intention. Extreme temperature - very low or very high - creates negative feelings among customers; it leads to dissatisfaction among the customers and consequently, customers spend less time in outlet and produce negative word of mouth (Lam, 2001). Bellizzi and Hite (1992) studied that the store temperature, lights, and arrangements have subtle influence on the consciousness and behaviour of customers.

**Lighting**

Lighting is used to highlight products. It creates excitement and has a positive impact on consumer purchasing behaviour (Mehrabian & Albert, 1976). When the lighting used in the retail chain outlets is of good color, consumers are inclined to touch products to assess quality (Areni & Kim, 1994). Consumer’s choice of store is moderately influenced by the lighting and store layout (Wanninayake & Randiwela, 2007). Stores with proper lighting, music, color, scent and displays will motivate the customers to visit the store again in the future (Yoo, Park, & MacInnis, 1998).

**Color**

Color builds feelings and affects consumer behaviour and attitude (Banat & Wandebori, 2012). It could stimulate memories, thoughts, and experiences. Colour is the elements that create the retail store atmosphere to a great extent (Countryman, Jang, 2006). Color will give enjoyment influences the willingness to explore the store. Also, pleasantness positively influences the unplanned extension of the store visit (Donovan et al., 1994; Hogg 2008) Cold colors in the context of higher quality groceries can be used for example in exhibitions while introducing expensive, higher quality groceries, in places where the goal is to introduce the customers to the products (presentations) and other situations that demand engagement of research dimension of customer behaviour. (AnjaVarga, 2014). The selection of the bright colour can attract consumers, but also influence their shopping decisions. Aslam (2006).

**Display / Layout**

Products in the retail chain outlets should be displayed in such a way that attracts the consumers. Product display in the retail outlets is a stimulus to attract the consumers to make impulse buying (Russell, 1990). Design and display of products in the retail chain outlets contribute one fourth sales of the outlets (Paul, & Moorman, 1995). The display can be defined as grouping of products, shelf space, and allocation of floor space, department allocation and wall decorations.

Layout is defined as division of selling area, space utilized and arrangement of products. Product display has a strong impact on the consumers purchase intention and customer's perception about the product. Customer's movement in the stores is immensely influenced by the display of the products in the stores (Ward, Bitner, & Barnes, 1992). Creating satisfaction in a store environment is pave way to the creation of a selling atmosphere.

The atmosphere in a store environment is observed through sight (colour, light, size, shape), hearing (sound), smell (smell, freshness) and touch (smoothness, temperature, softness), which are the atmospheric dimensions. The aforementioned influences the creation of. (Kotler, 1973) positive consumer experience.

Visual Merchandising (Wanninayake & Randiwela, 2007). Plays a vital role in customer’s attitudes in their store choice decisions. Visual Merchandising was grouped into four variables namely Lighting, Design Layouts, Product Display and Cleanliness.

**Store Image**

Zimmer and Golden (1988) the customers’ perspective consists of a view of the total dimension of the store, with its different characteristics. Stern et al. (2001) who concluded that the customers’ choice of purchase is influenced by the store’s image.
Store Environment Factors

**Figure-1**

![Diagram showing factors affecting store environment](image)

Sources: Authors Compilation

**DISCUSSION**

The researcher recommends the establishment of a focus group in conducting qualitative research to gain an in-depth understanding of the customers' perspective and various store dimensions. Moreover, conducting a longitudinal research would help to find out the changes in the customers' perceptions of an ideal store environment. The design of the store environment is generally the first visual sensation noticed by the consumer. Even Store music cues influence consumer behavioural consciousness on a deeper level (Wakefield and Baker, 1998).

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Employee empowerment has been touted as an important mediating step in increasing commitment of the employees and to enrich the organizational outcome as a whole. Empowering employees will result in greater job satisfaction, more consistent ethical behavior, improved customer service, increased efficiency and productivity, better outcomes and so forth. This qualitative study explores the about the empowerment practices employed in Veensons energy systems ltd and extend its limit to find about the most important factors which contributes more towards employee to empower themselves. The objective of this study has also revealed attention-grabbing findings and suggestion to the management of Veensons energy systems ltd to focus on employees in a customized empowerment practices to increase the commitment of the employees and for better organizational outcome with improved innovation. A self-administered questionnaire was developed with the dimension of Self-determination, Autonomy, knowledge and skills, Power and delegation and Information. The researcher has used Descriptive type of research with the convenient method of sampling and distributed to 119 employees of the organization, their valuable responses were given input in Statistical package for social sciences 14.0, and the result was interpreted accurately.

**KEYWORDS**

Demographic Factors, Self-Determination, Employee Empowerment etc.

**INTRODUCTION**

Employee Empowerment is a method of improving customer service in which workers have discretion to do what they believe is necessary within reason to satisfy the customer, even if this means bending some company rules. The decisions can be small or large depending upon the degree of power with which the company wishes to invest employees. Employee Empowerment merely means giving employees the ability to make some decisions. Empowerment is the oil that lubricates the exercise of learning. Talented and empowered human capital is becoming the prime ingredient of organization success. The critical feature of successful teams, especially in knowledge-based enterprises is that they are invested with a significant degree of empowerment / decision making authority. Employee Empowerment is a beneficial process for employees, managers and the company as a whole. Employees feel more invested in the company, valued as important contributors and motivated to excel. Empowerment can be difficult to quantify. There are no statistics of percentage by which to measure its success. When it comes to empowerment qualitative indicators are the most important measure of success, changes does not occur overnight. “Why would we want to enhance Employee Empowerment?” It has been shown that Employee Empowerment results in increased Employee satisfaction, increased productivity and increased customer satisfaction. Implementation of empowerment programs seems to be the biggest challenge organizations face. It also seems that empowerment implementation efforts are often haphazard. Implementation of Employee Empowerment often takes years, especially if the organization has a bureaucratic culture.

**LITERATURE REVIEW**

(Forrester, 2015, p 67). According to Zemke and Schauf (cited in Bowen and Lawler, 2014, p 33), “empowerment means turning the front line loose, encouraging and rewarding employees to exercise initiative and imagination”. An empowered employee has the necessary competence required for her/his job, has control over her/his work and is likely to be motivated by company goals (Bowen and Lawler, 2015).

Access to information is an important element of empowerment. For example, Randolph and Sashkin (cited in Melham, 2015) argue that transparent sharing of information is an essential requirement of empowerment, since employees cannot act responsibly - even if they wish to do so - without adequate information. Adequate internal communication is likely to affect the Empowerment of employees who deal with customers, ensuring that employees obtain necessary information to plan and deliver effective customer service (Melhem, 2015).

Various factors are linked or related to empowerment. Gatewood and Riordan (2015, p 44) suggest that the following two practices develop employees’ knowledge, skills and appropriate ‘frame of reference’: (1) management communication of

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**A STUDY ON EMPLOYEE EMPOWERMENT PRACTICES IN VEESONS ENERGY SYSTEMS PRIVATE LIMITED AT TRICHY**

K. Vinoth

**ABSTRACT**

Employee empowerment has been touted as an important mediating step in increasing commitment of the employees and to enrich the organizational outcome as a whole. Empowering employees will result in greater job satisfaction, more consistent ethical behavior, improved customer service, increased efficiency and productivity, better outcomes and so forth. This qualitative study explores the about the empowerment practices employed in Veensons energy systems ltd and extend its limit to find about the most important factors which contributes more towards employee to empower themselves. The objective of this study has also revealed attention-grabbing findings and suggestion to the management of Veensons energy systems ltd to focus on employees in a customized empowerment practices to increase the commitment of the employees and for better organizational outcome with improved innovation. A self-administered questionnaire was developed with the dimension of Self-determination, Autonomy, knowledge and skills, Power and delegation and Information. The researcher has used Descriptive type of research with the convenient method of sampling and distributed to 119 employees of the organization, their valuable responses were given input in Statistical package for social sciences 14.0, and the result was interpreted accurately.

**KEYWORDS**

Demographic Factors, Self-Determination, Employee Empowerment etc.
organizational policies and goals, and (2) exchange of information about work activities between employees and managers - upward, downward and horizontally. The frame of reference enables employees to align their own objectives with organizational objectives, so that all employees work toward common goals (Moller, 2015). In addition, employees accept responsibility when they are aware of their own goals and “feel that they can influence the situation on the way toward achieving their [own] goals” (ibid., p 5).

**OBJECTIVE OF STUDY**

**Primary Objective**
- To examine the factors that influences employee towards empowerment in veeons energy systems ltd.

**Secondary Objective**
- To understand the demographic profile of the respondents.
- To know whether employee’s opinion are respected in the organization.
- To know whether employees are encouraged to experiment new solutions.
- To study the significant association between Self-determination variable and Experience.

**SCOPE OF STUDY**

Empowerment is highly a successful practice and it is a very contemporary for this highly competitive environment. Empowered employees are said to be highly motivated and contribute more towards the organization with improved innovation and commitment. This resulting in better performance and it will give greater effectiveness as an organizational outcome. Therefore, the scope of the study extends its limit to find out the most dominating factors, which contribute more towards empowerment, and to improve the factors, which are not contributing towards the empowerment.

**Descriptive Research**

Descriptive research is defined as fact-finding with adequate interpretation fact finding would involve just data gathering. In descriptive research, more is involved in the form of reflective thinking.

**Sampling Method**

For this research purpose, the researcher used convenient method of sampling.

**Development of Questionnaire**

The Questionnaire used in this study is comprised of two parts. The first part contains question about demographic profiles of the respondents including Age, Marital status, Level of Education, Completed years of service The Second part of questions were framed according to five dimensions namely Self-determination, Autonomy, Knowledge and skills, Information, Power and delegation A five-point Likert scale ranging from “strongly disagree “1” to “strongly agree “5” was used to measure the items. The questionnaire was distributed to employees of the company for their valuable response. The sample size was 119.

**Data Collection Method**

The Questionnaire was administered to middle level employees of the company and the questionnaire was distributed to employees for their valuable response. The sample size was 119.

**Statistical Techniques Used**

Through Statistical Package for Social science (SPSS14)
- **Percentage analysis** (i.e.) Frequency analysis.
- **Multiple Regression** analysis is used to assess the relationship between one dependent variable (DV) and several independent variables (IVs).
- The **Chi-square** measures test the hypothesis that the row and column variables in a cross tabulation are interdependent. A low significance value typically below 0.05 indicates that there may be some relationship between two variables.

**Pilot Study:** Pilot study (i.e.) pre-testing of questionnaire was done to 20 respondents and necessary addition and deletion were made after the study. The 20 sample, which was used for pilot study, were not included in the total sample size.

**Scale Reliability:** Researcher commonly uses the Cronbach alpha coefficient for establishing scale reliability. The Cronbach alpha coefficient is an indicator of internal consistency of the scale. A value of Cronbach alpha above 0.5 can be used as a reasonable test of scale reliability.
Reliability Statistics

Table 1

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.909</td>
<td>43</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The Result (Cronbach’s alpha) obtained was 0.909. This shows that data has satisfactory internal consistency reliability. Cronbach’s α (alpha) is a statistics used in this study. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. Cronbach’s alpha will generally increase as the inter correlations among test items increase, and is thus known as an internal consistency estimate of reliability of test scores, because inter correlations among test items are maximized when all items measure the same construct, Cronbach’s alpha is widely believed to indirectly indicate the degree to which a set of items measures a single one-dimensional latent construct.

DATA ANALYSIS AND INTERPRETATION

Table 2: Demographic Factors

<table>
<thead>
<tr>
<th>Age</th>
<th>Number of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-25</td>
<td>49</td>
<td>41</td>
</tr>
<tr>
<td>26-30</td>
<td>45</td>
<td>38</td>
</tr>
<tr>
<td>31-40</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>41-50</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>51 &amp; above</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>119</strong></td>
<td><strong>100.0</strong></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Number of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>72</td>
<td>61</td>
</tr>
<tr>
<td>Married</td>
<td>47</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>119</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>Number of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Secondary</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>ITI/Diploma</td>
<td>46</td>
<td>39</td>
</tr>
<tr>
<td>Under graduate</td>
<td>60</td>
<td>50</td>
</tr>
<tr>
<td>Post graduate</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>119</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Table 2: Demographic Factors

<table>
<thead>
<tr>
<th>Trainer / Learner</th>
<th>Number of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trained</td>
<td>82</td>
<td>69</td>
</tr>
<tr>
<td>Learner</td>
<td>37</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>119</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Experience</th>
<th>Number of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1 years</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>1-2 years</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>3-5 years</td>
<td>41</td>
<td>35</td>
</tr>
<tr>
<td>6-10 years</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>10 &amp; Above</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>119</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Inference

Age: 41% of the respondent were 20-25 in their age, 38% of the respondent were in between the age of 26 to 30, 14% of the respondents were in between the age of 31 to 40, 4% of the respondents were in between the age of 41-50 and 3% respondents were 51 and above.

Marital Status: 61% of the respondents were Single and 47% of the respondents were married.

Educational Qualification: 50% of the respondents were under graduate qualified, 39% of the respondents were ITI/Diploma qualified, 9% of the respondents were postgraduate qualified and 2% of the respondents were HSC qualified.

Trainer / Learner: 69% of the respondents were trained employees and 31% of the respondents were learners.

Experience: 35% of the respondents has completed 3-5 years of experience, 29% of the respondents have completed 1-2 years of experience, 15% of the respondents has completed 6-10 years of experience, 13% of the respondents have completed 0-1 years of experience, and 8 of the respondents has completed the experience of 10 years and above.
Chi-Square Test: Experience vs. I get bored with work

**Null Hypothesis (H0):** There is no significant relationship between experience and I get bored with work.

**Alternate Hypothesis (H1):** There is significant relationship between experience and I get bored with work.

### Table-3

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>d.f.</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>37.062(a)</td>
<td>16</td>
<td>.002</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>42.763</td>
<td>16</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.267</td>
<td>1</td>
<td>.260</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>119</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Inference:** The calculated Pearson Chi-Square value is 0.002, which is lesser than the expected value of .05. Thus, we accept alternate hypothesis and reject null hypothesis. Therefore, there is significant association between experience and I get bored with work.

### Factor Analysis

Hypothesis 1 is being tested using factor analysis.

**Hypothesis 1:** There is a relationship among the factors that influences employee towards empowerment.

Factor analysis (FA) and Principal Component Analysis (PCA) are techniques used when the researcher is interested in identifying a smaller number of factors underlying a large number of observed variables. Variables that have a high correlation between them, and are largely independent of other subsets of variable, are combined into factors.

### Table-4: KMO and Bartlett’s Test

<table>
<thead>
<tr>
<th></th>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>.632</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square</td>
<td>4243.778</td>
</tr>
<tr>
<td>D.f.</td>
<td></td>
<td>903</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Inference:** From the above table, Bartlett’s test of Sphericity indicates whether the co-relation matrix is an identity matrix, which indicates that the variables are unrelated and the significance level (0.0) indicate that there is significant relationship among the variables. The KMO value of 0.632 states that, the factor analysis is valid and can be performed in this study.

### Regression Analysis

**Stepwise Method** in Multiple regression analysis used for this study. Empowerment variables under various dimensions were regressed with the overall satisfaction of the employees.

### Table-5: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R. Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.598(a)</td>
<td>.358</td>
<td>.352</td>
<td>.424</td>
</tr>
<tr>
<td>2</td>
<td>.725(b)</td>
<td>.526</td>
<td>.518</td>
<td>.365</td>
</tr>
<tr>
<td>3</td>
<td>.823(c)</td>
<td>.677</td>
<td>.668</td>
<td>.303</td>
</tr>
<tr>
<td>4</td>
<td>.844(d)</td>
<td>.713</td>
<td>.703</td>
<td>.287</td>
</tr>
<tr>
<td>5</td>
<td>.863(e)</td>
<td>.744</td>
<td>.733</td>
<td>.272</td>
</tr>
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<td>.879(f)</td>
<td>.772</td>
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<td>7</td>
<td>.890(g)</td>
<td>.791</td>
<td>.778</td>
<td>.248</td>
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<tr>
<td>8</td>
<td>.899(h)</td>
<td>.807</td>
<td>.793</td>
<td>.239</td>
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</tbody>
</table>

**Sources:** Authors Compilation
Predictors: (Constant), I know what I need in work; I’m proud of the quality of my work, my opinion about a task are respected, I work well, I have encouraged to experiment new solutions, I know my work related responsibilities, my job activities are personally meaningful to me, I know which work I should complete every day.

Inference: The above model summary table shows R-Square for this model is 0.807. This means that 80.7 percent of the variation in overall satisfaction from empowerment (dependent variable) can be explained from the 8 independent variables. The table also shows the adjusted R-square for the model as .793.

FINDINGS

Frequency Analysis: 41% of the respondent was 20-25 in their age. 60% of the respondents are Single. 50% of the respondents are under graduate qualified. 69% of the respondents are trained employees. 35% of the respondents were completed 3-5 years of service.

Multiple Regressions Analysis: From the Multiple regression analysis it is found out that the below variables of empowerment are the dominant variables which influences the employee towards empowerment.

- My opinion about a task is respected.
- I have encouraged to experimenting new solutions.

SUGGESTIONS

Employees should be given a considerable independence and they should be allowed to take an important decision or their input should be heard by the management. Before providing them such independence, management should empower them in areas of decision making and contingency situation handling. Empowered employees will be having an autonomous decision making capabilities and they will be acting as a partner for the development of the organisation. If the employees are given autonomy, they will feel more loyal to the organisation and their degree of satisfaction will be increased and obviously they will retain in the organisation for longer period of time.

CONCLUSION

Empowerment in the area of “Self-determination” was satisfactory, employees are encouraged and their opinion was respected in the organization. In this most comprehensive, customized and added competitive environment, it is more crucial for the management to understand the need for the empowerment in the areas of Information, Power & delegation and autonomy. Empowerment is the oil that lubricates the exercise of learning. Talented and empowered human capital is becoming the prime ingredient of organization victory. Employee Empowerment is a beneficial process for employees, managers and the company as a whole. Employees feel more invested in the company, valued as important contributors and motivated to excel. It has been shown that Employee Empowerment results in increased Employee satisfaction, increased productivity and increased customer satisfaction. Employee initiative and responsibility are likely to be increased by granting power to employees, delegating decision-making and discretionary action to employees, and enabling employees to be empowered. The management should not assume that this empowerment programs are highly cost oriented. Employees are to be considered as an asset of the organization and this cost involved should be treated as an investment to mold the employees and to drive the organization in a smooth and profitable comportment.

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(Ed-Inf-Chief)
A CONCEPTUAL STUDY OF WORKLIFE BALANCE IN VARIOUS INDUSTRIAL SECTORS IN CHENNAI

P. S. Immaculate

ABSTRACT

Work–life balance is a concept including proper prioritizing between "workaholics" (career and ambition) on the one hand and "lifestyle" (Health, pleasure, leisure, family and spiritual development) on the other. It is the term used to describe practices in achieving a balance between the demands of employees' family (life) and work lives. The increasing prevalence of work life conflicts and increasing concern about work life issues in the corporate arena present both a challenge and opportunity for Human Resource (HR) Professionals. Work-life balance initiatives designed to help employees balance their work and personal lives are not only an option, but also a necessity for many employers today. There is a need for organizations to adopt human resource strategies and policies that accommodate the work-life needs of a diverse workforce in the current business environment. This presents the results of the study on organizational polices and provisions regarding work-life balance of the employees, which was carried out among a cross-section of leading corporate entities in Chennai representing equally the four industrial sectors, namely, Manufacturing, Information technology, Educational and Banking sector. The results reveal the commonalities and differences in work-life balance provisions across the four sectors.

KEYWORDS


INTRODUCTION

Work life balance is the proper prioritizing between "work" on one hand and "life" on the other. Related, though broader, terms include "lifestyle balance" and "life balance". There is a large individual component in that meaning includes each individual's needs, experiences, and goals, define the balance and there is not a one size which fits all solution. Also, what work-life balance does not mean is an equal balance in units of time between work and life. Work life balance has important consequences for employee attitudes towards their organizations as well as for the lives of employees. A balance between work and life is supposed to exist when there is proper functioning at work and also at home.

In the present scenario, a vast majority of people seem to be working longer and harder than ever before and as consequences are finding it ever more difficult to achieve a much desired Work Life. In particular, technological, structural and demographic changes brought about in employment, together with greater than ever demand for more multi-skilled and flexible knowledge workers are being allied with negative experiences of work such as involuntary contingent work and role overload. These experiences have been correlated directly and indirectly to the quality of family life, psychological well-being, and health. A balance between work and life is supposed to exist when there is a proper functioning at work and at home with a minimum of role conflict. Therefore, the incompatibility between the demands from the work and non-work domain give rise to conflict and consequently, people experience a lack of Work Life Balance. There is confirmation of the fact that people entering the workforce today are laying emphasis on the importance of Work Life Balance more than their predecessors. In spite of this, the extent to which this balance is being achieved is far less than what is desired.

OBJECTIVES

The aim of the study is:

- To understand the perceptions of organizations with respect to Work Life Balance.
- To trace the sector wise differences in the organizational initiatives for work life balance.
- To analyze gender-wise issues.
- To put forth suggestions to enhance work life balance quotient of organizations.

The results of this study on organizational responses to work-life balance requirements of the employees are presented under four sections, namely, profile of the respondents, profile of the participating organization, policies on work-life balance and provisions for work-life balance.

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Profile of the Respondents: Almost three-fourth (70%) of the respondents was aged between 25 and 30 years. All the respondents had professional qualifications in human resource management. A little more than half of the respondents (53.3%) were designated as ‘Senior executive - HR’ while only a little more than one-fourth of the respondents (26.6%) were of managerial cadre and above. Most of the respondents (76.7%) had between two and four years of experience in the present company. The years of experience in the company ranged from 2 to 15 years.

Profile of the participating organizations: All the companies targeted for the study were good companies of Chennai. In the manufacturing sector, the companies were drawn from various verticals like heavy engineering (10.0%), automobile and allied products (10.0%) and others. All companies in the IT wing dealt with software development and consulting. The companies drawn from the services sector were from various businesses like insurance, finance, business process outsourcing and so on. Thus a wide variety of companies were covered in the survey. Employees of a little more than half of the participating companies (56.7%) worked in shifts. This excluded all companies in the Information Technology (IT) sector but included all in the manufacturing sector and a few in the service sector. More than half of the companies (including all IT companies) (53.3%) had their employees work off-site. Less than half of the participating companies (43.3%) had employees with special needs on their company rolls.

Policies on work-life balance: Only some companies (30%) had work-life balance policies as part of the policies concerning employees out of hardly companies had similar policies across all operations around the globe. These are companies with international exposure. Linkages (as in the case of most software and services companies). Employee well-being initiatives (including those to promote work-life balance of the employees) were predominantly mooted through HR and welfare department (72.7%). A few companies had employee engagement teams to work on these work-life balance initiatives. As regards the three-tier model of adequate availability, equal accessibility and wide use of work-life initiatives in organizations as suggested by Budd and Mumford (2006), three-fifth of the respondents (60%) contended that work-life balance initiatives were adequately available in their organizations. A little more than half of the respondents (56.7%) felt that it was made accessible to all employees. Only half of the respondents felt that these work-life balance initiatives were actually made use of by the employees.

Organizational provisions for work-life balance: The organizational provisions for work-life balance were traced in terms of time-based strategies, money-based strategies and direct services. The findings are presented below:

Time-Based Strategies: Flexible time in terms of flexible working hours was practiced in most of the IT companies (80%) compared to other companies (20%) in the services sector and no company in the manufacturing sector. The two service companies that provided flexi time option belonged to the insurance industry. Work from home’ options were not very popular. They were absent in the services and the manufacturing sectors. However, two-fifth (40%) of the companies in the IT sector offered them as a policy and the other IT companies do the same on case-to-case basis. While none of the organizations had provisions for compressed work weeks or job sharing or part-time work, only three IT companies had provision for career breaks. All companies had provision for maternity leave. In India, maternity leave is prescribed by the Maternity Benefit Act, 1961. Compensatory off/leave was commonly available. Two-fifth (40%) of the companies did not have the option of sabbaticals for its employees. Half the IT companies compared to less than one-third (30.0%) of the manufacturing companies and two-fifth (40%) of the services companies had the provision of phased return to work (following child birth) programs.
Money-Based Strategies: Provision of financial planning services was more prevalent in the IT sector (80%) compared to manufacturing and services sector (40% each). Most companies provided assistance for tax planning. Non-taxable financial benefits were more prevalent in the services sector (80%) compared to IT sector (70%) and manufacturing sector (60%). Assistance for retirement planning was more prevalent in the manufacturing sector (80%) compared to IT sector (50%) and services sector (40%). All companies provided employees discounts/subsidies like meal subsidies or vouchers and so on. Less than one-third (30%) of the companies on the whole provided general insurance facilities. All companies provided medical insurance coverage to the employees.

DISCUSSION

These issues of work-life balance provisions for the employee’s leaves many questions unanswered. Most important of them all is what is the responsibility of the employer and where does the employer's responsibility end? Obligation between the employer and employee, meaning an exchange of compensation for skills and time? Government-run organizations are a forerunner in this regard. Along with large government organizations, integrated townships with facilities for schools, hospitals, stores and so on are promoted. This is a good practice that could be emulated by other organizations. The organizational outlook on human resources to a large extent influences the work-life balance quotient of organizations. For the latter organizations, a range of 'high involvement work practice’ (such as cross-training, employee participation programs and group based incentives, but not flexible working practices) was associated with high staff retention and the organization's positive financial performance.

Work-life balance initiatives could make more of an impact in those organizations oriented towards a 'people as asset strategy. The provision of work-life balance initiatives depends on various factors—the organizational philosophy, the profile of the organization, profile of the employees, the nature of business and so on. It is evident that sector specific nuances exist. Employee welfare is a totality concept and caters to social, economic and other domains of an individual. Consequently, though there may be many overlapping provisions coming under the purview of work-life balance and employee welfare, the awareness with respect to work-life balance per se is a grey area. The findings indicated that significant differences existed across industries in work-life responsiveness. Thus on the whole, there is inequality in the distribution of opportunities for work-life balance both within and across workplace.

CONCLUSION

The implementation of work-life programs has both individual and organizational benefits. Effective work-life programs facilitate a symbiotic relationship between the employee and employer for mutual benefits. Employees who are better able to balance the demands on their time are more satisfied and content. In turn they are able to perform better. Such provisions also aid in employer branding and are emerging as retention factors.

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*****
A STUDY ON ROLE OF WORKING CAPITAL AND CURRENT RATIO IN PROFITABILITY WITH SPECIAL REFERENCE TO TATA MOTOR, MARUTI SUZUKI AND MAHINDRA 

I. Rosanth

ABSTRACT

Capital required for purchase of raw materials and for meeting the day-to-day expenditure on salaries, wages, rent, advertising etc. is called working capital. In simple words, working capital refers to that part of a firm's capital, which is required for financing short-term operations or current assets such as stock, debtors, cash etc. Right working capital management will leads to the profit maximization. The term working capital requirement may decide by use of Current ratio norm. This study is measure the Current ratio of three automobile companies and compare with the profit ratio and identity the relationship of ratio norm with actual again the performance or profit ratio.

KEYWORDS

Working Capital, Current Ratio & Profit Ratio etc.

INTRODUCTION

When we say working capital, we are referring to the net working capital. Firm’s investment in current assets is called gross working capital. The different between current assets and current liabilities is called net working capital. Net working capital can be positive or negative. When current assets are in excess of current liabilities, net working capital is positive. On the other hand, when current liabilities exceed current assets, net working capital is negative. Adequate working capital is important for any business operations. Working capital financing, however, can be a challenge for a business, especially for a small firm.

OBJECTIVES

- To identify standard norms relationship with Automobile industries.
- To analysis the Current ratio or working capital compare with Profit ratio.
- To find and suggest the new norms for the Current ratio or working capital management.

Tools Used

Current Ratio

This test of solvency balances your current assets against your current liabilities. The current ratio will disclose balance sheet changes that net working capital will not.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Current Assets = net of contingent liabilities on notes receivable
Current Liabilities = all debt due within one year of statement data

Note: The current ratio reveals your business's ability to meet its current obligations.

Net Profit on Net Sales

This ratio provides a primary appraisal of net profits related to investment. Once your basic expenses are covered, profits will rise disproportionately greater than sales above the break-even point of operations.

$$\frac{\text{EAT}}{\text{Net Sales}} = \text{Net Profit on Net Sales Ratio}$$

*EAT= Earnings after Taxes

Note: Sales expenses may be substituted out of profits for other costs to generate even more sales and profits.

39 Assistant Professor, Department of Management, Srimad Andavan College (Autonomous), Tamil Nadu, India, rosanth@gmail.com
Table-1: Net Profit on Net Sales Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Profit</th>
<th>Net Profit on Net Sales Ratio</th>
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<tbody>
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<td>Mar '12</td>
<td>59,220.94</td>
<td>1,242.23</td>
<td>2.10</td>
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</table>

Sources: Authors Compilation

Inference: The Net profit ratio of Tata motor was maximum in the year 2012 & 2014.

Table-2: Current Ratio

<table>
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<tr>
<th>Year</th>
<th>Current Asset</th>
<th>Current Liabilities</th>
<th>Current Ratio</th>
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</thead>
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<tr>
<td>Mar '16</td>
<td>11,469.93</td>
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Sources: Authors Compilation

Inference: The Current ratio of Tata motor was minimum in the year 2014 and 2012.

Table-3: Net Profit on Net Sales Ratio

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Sources: Authors Compilation

Inference: The Net profit ratio of Maruti Suzuki was maximum in the year 2016 & 2015.

Table-4: Current Ratio

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Sources: Authors Compilation

Inference: The Current ratio of Maruti Suzuki was minimum in the year 2016 and 2015.

Table-5: Net Profit on Net Sales Ratio

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Sources: Authors Compilation

Inference: The Net profit ratio of Mahindra & Mahindra was maximum in the year 2012 & 2014.
Table-6: Current Ratio

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Sources: Authors Compilation

Inference: The Current ratio of Mahindra & Mahindra was minimum in the year 2012 and 2013.

Table-7: Ratio Value Rank Analysis

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Sources: Authors Compilation

Result: The above analysis was proved with Rank order of profit ratio and current ratio.

Table-8: Correlation for Current Ratio with net Profit Ratio

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<td>Negative</td>
<td>High positive</td>
</tr>
<tr>
<td>Maruti Suzuki</td>
<td>-1</td>
<td>Negative</td>
<td>Perfect</td>
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<tr>
<td>Mahindra &amp; Mahindra</td>
<td>-1</td>
<td>Negative</td>
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Sources: Authors Compilation
FINDINGS

- The profit performance of the three automobile company Mahindra & Mahindra, Maruti Suzuki and Tata Motor are rank in the respective order based on high profit performance.
- The current ratios of Mahindra & Mahindra have very low fluctuation compare with other companies and its profit percent is high compare with other companies.
- It was find that that the company with have standard working capital have high performance.
- The Rank analysis using MS excel Tool prove that the company’s current goes down will increase the profit percentage.

CONCLUSION

Ratio analysis is help to identify the company current position using standard norms. In the case of current ratio the standard norms was suggested was 2:1. However, not the all three companies are reached the norms but they are maintaining at the level of 1:1 even below it also. Whenever the company reduces the norm below 2 and 1 it profit percentage will goes up. To maximize the profit percentage of the automobile industry the company as to maintain norm1 and below. This assumption is only applicable for the automobile industry from the sample of three respective companies Mahindra & Mahindra, Maruti Suzuki and Tata Motor.

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A STUDY ON BRAND MANAGEMENT FOR KURTIS WITH SPECIAL REFERENCE TO LADY PLUS OF SIRUVANI CLOTHING PRIVATE LIMITED AT COIMBATORE

S. Viji

ABSTRACT

The dawn of new century has seen India emerging as one of the largest markets for commodities and services. Corporate now recognized that its real values lies not in production and distribution, but outside the business itself, i.e., in the minds of potential buyers. After realizing the fact, they started giving due consideration for brands and the equity they create in the market and in the consumer minds. Few studies deal with the role of females in the purchase of garments. The present study deals with the opinion regarding Kurti.

The researcher also made an attempt to know, what the consumer is actually looking for in branded products, whether Indian consumers value only branded products or give value for unbranded quality products. In this study a sample of 150 females are taken and data was collected through judgment sampling technique by a structured questionnaire. The researcher based on findings has given valuable suggestion to the market that would help in product planning, product promotion & product pricing.

INTRODUCTION

In any product strategy, a crucial decision is branding. Branding a product means a long-term investment in building that brand by spending on promotion, advertising & packaging. A brand is a promise of the seller to deliver specific set of benefits or attributes to the buyer. Apart from attributes and benefits, it also reflects about values, culture, personality and user.

Brands provide consumer with clear-cut choices, less confusion, great security on emotional dimensions and something they can trust. Brand enhances the perceived utility and desirability of a product. Brand has the ability to add or subtract the perceived value of a product. Consumers expect to pay lower prices for unbranded products or for those with low brand equities. On the other hand, they are ready to pay a premium for their favorite or socially valued brands.

BRAND MANAGEMENT

Brand management is the application of marketing techniques to a specific product, product line, or brand. It seeks to increase the product’s perceived value to the customer, thereby increase brand franchise, and brand equity.

Sources: Authors Compilation

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Brand Identity

A brand identity stems from an organization, i.e., an organization is responsible for creating a distinguished product with unique characteristics. It is how an organization seeks to identify itself. It represents how an organization wants to be perceived in the market. An organization communicates its identity to the consumers through its branding and marketing strategies.

Brand Image

Brand image is the current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers’ perception about the product.
Brand Personality

Brand personality is the way a brand speaks and behaves. It means assigning human personality traits/characteristics to a brand to achieve differentiation. These characteristics signify brand behavior through both individuals representing the brand (i.e., its employees) as well as through advertising, packaging, etc. When brand image or brand identity is expressed in terms of human traits, it is called brand personality.

Figure 4

THE CONCEPT OF BRAND PERSONALITY IN A DIAGRAM

Sources: Authors Compilation

Company Profile

Siruvani Clothing Private Limited has grown into a conglomerate involved in textiles, garments, and wholesale trading. Siruvani is an export-oriented Knitting, Dyeing, Finishing, and Garments manufacturing company located Coimbatore. Quality of garments and service to customers has made us a reputed manufacturer and exporter in the international market. The company considers customer comfort before selling the products in market. It continually reassesses the products in order to develop still better products.

Siruvani group of companies was established in the year 1994. It has vertical setup in manufacturing of Cotton Yarn, Fiber/Yarn Dyeing & Garments. The company is specialized in manufacturing of specialty yarns and functional garments. In Siruvani Textiles, you unearth abundant style and variety of textile make-ups at levelheaded cost. It caters to a host of reputed customers across the world.

STATEMENT OF PROBLEM

Brand Image helps the organization in achieving targeted sales and to sustain in the market for a long time. It helps the organization in increasing its product awareness in the customers. Every organization needs to improve level of brand image and identify customer preferences for various products so that they can implement measures for enhancing brand image. The brand identity and personality will help to know the taste of the consumers and their wish on a product. Therefore, this survey will lead to choose proper choice of production.

Customers view a brand as an important part of a product, and a brand can add value to a product. Branding has become a major issue in product strategy. On the other hand, developing a branded product requires a great deal of long term marketing investment, especially for advertising, promotion, and packaging. Powerful brand names have consumer Franchise - they command strong consumer loyalty. Therefore, the need for the study becomes necessary to chalk out some information on preference and opinions of the customers related to ladies garments (Kurti) with special reference to Lady Plus.

This study is aimed to provide some valid points for management and other relevant persons to take some policy decisions in marketing.
OBJECTIVES OF STUDY

Primary Objective

- To identify a brand management technique for the marketing of a new Kurti by Siruvani Clothing Private Limited.

Secondary Objectives

- To design the apt brand identity for a new Kurti.
- To create brand personality for a new Kurti.
- To design the apt brand image for a new Kurti.

HYPOTHESES OF STUDY

- There is no relationship between the education and factors influencing to buy.
- There is no relationship between the family income and price range of Kurti.

SCOPE OF STUDY

This study will help in the following ways:

- Helps the organization in creating awareness on the part of the management, about the brand consciousness of the customers.
- To know about the preferences of the customers, may help the company to improve in many areas, to build a brand image to stabilize the reputation in today’s competitive market.
- Helps to assess the opinion of the customers so that the services rendered to them can be improved accordingly.
- Helps to know about the best promotional tool for the marketing of Kurti.
- Helps to assess the opinion of the customers about the new style and price range. It will lead to produce the apt design at the reasonable cost in the manufacturing of Kurti.

LIMITATIONS OF STUDY

The following are the limitations of the study:

- The finding of the study solely depend on the response given by the buyers.
- The study is restricted only in and around Coimbatore District.
- The study is limited to the customers of Siruvani Clothing Private Limited and teen-age girls in Coimbatore District only. So, it is not applicable to universe.
- All the finding and observations made in this study are purely based on the respondent’s awareness. The response may be due to personal factor.

REVIEW OF LITERATURE

Brand Management

David A. Aaker (2004) stated that “A solid contribution written with depth and insight. I recommend it to all those who desire a further understanding of the various dimension of brand management”.

Nadihezda Silva-Rojas; Stephen Roast; (2006) stated that branding has become a very instrumental way for organizations to communicate to the customer in today's competitive business environment. This means of communication has strategic advantages in creating association, values and differentiation for a corporation in the long run.

Brand Identity

Clancy and Trout (2001) stated that with competitions, consumers are finding it hard to differentiate similar products. The marketers are diluting the brand rather than building it, by not being able to create a character for the brand. Many times, they focus primarily on the price rather than on other points of difference. Focusing on the aesthetic aspects of the product can be a good option to differentiate position and build brands.
Azoulay and Kapferer (2003) stated that Aaker’s scale does not in fact measure brand personality, but merge a number of dimensions of brand identity – personality being only one of them. Brand identity has more facets than the personality facet alone. They consider that a stricter definition of brand personality is needed.

**Brand Image**

Kevine Lane Keller (2001) stated that a brand is therefore a product, but one that adds other dimension that differentiates it in some way from other product designed to satisfy the same need.

Ishitaq-Ahmad Din; Aamir Sohail; Kashif Shahzad; (2008) stated that in this highly competitive world countries are working hard to brand them by creating positive image to attract world’s share of business, investment, tourism, students, events etc. There are many factor involved to create soft image of a country like environment, people, tourism, business, governance, politics and others.

**Brand Personality**

Freling (2005) stated that from the viewpoint of product symbolism and symbolic meanings, which consumers usually relate to brands, the brand personality concept can be a great help to understand this behavioral complexity (Austin, 2003). Although the concept of brand personality is old enough to be somehow threadbare, but there is still emerging interests in marketing academics and practitioners that how brand personality arises self-expression and can be used in product differentiation.

(Rajagopal,2006; Power, 2008; Guthrie, 2007) stated that from the relationship spectrum, brands and consumers can have different levels of linkages, the personality view covers all attitudes, and perspectives, feelings, and views consumers have about a brand. Because this relationship is a two-side action, consumers and brands both have their roles in it, the effects of the customers on the relationship is about self-concept theories and the brand side actions go to the personality theories like Big Five.

**RESEARCH DESIGN AND METHODOLOGY USED**

**Research Design**

Research is an original contribution to the existing stock of knowledge. It is the pursuit of truth with the help of study, observation, and experiments. As such the term, research refers to the systematic method consisting of enunciating the problem formulation a hypothesis, collecting the facts or data, analyzing the facts and reaching certain conclusions either in the form of solutions towards the concerned problem or in certain generalizations for some theoretical formulation. The study in this research is an exploratory study, which means exploring of facts from the respondents. The objective of exploratory research is the development of hypotheses to test various aspects.

**Sources of Data**

Data plays a vital role for the successful completion of any research. Since, every possible source are needed to tap information required for the study, two sources to collect data i.e., primary and secondary sources have been used in this research.

**Primary Data:** Primary data are the data directly collected from the respondents by using any structured methodology. The researcher also collects the primary data using a structured questionnaire.

**Secondary Data:** Secondary data are the data which are already collected by someone else, i.e., data collected through broachers and catalogues, newspapers, magazines, web site, etc.,

**Sample Design**

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Sampling design in this research includes the sampling method, sampling units, and sampling size.

**Sampling Method:** Simple Random sampling.
**Sampling Unit:** The customers of Siruvani clothing (P) Ltd., in Coimbatore City.
**Sample Size:** 150.
**Research Tool:** Questionnaire.
**Statistical Tool:** Percentage Analysis & Chi-Square test.
ANALYSIS AND INTERPRETATION

Table-I: Percentage Analysis

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Sources: Authors Compilation
Interpretation: Most of the respondents are coming under the age group of 20-30. Most of them are Under Graduates and their family income is between Rs. 10000 – Rs.20000 per month. Most of them are unmarried and interested to wear Kurti regularly. However, most of them do not wear Kurti because of culture. They prefer Kurti as it is good in quality. They feel that Advertisement does not create an impact over on purchase of Kurti, but at the same time, they feel that the celebrity may influence more towards the same. They mostly prefer to buy Kurti at Rs.500-Rs.750 and they are buying thrice in a year. In their opinion, gifts will induce the purchasing habit. They feel that wearing Kurti creates an image and improves their life style. They ranked advertising is the preferable promotional tool; product quality influences to buy more; Diya is the favorite brand; its style provides personality and Chudidhar is the preferable dress among all.

Chi-Square Analysis

Null Hypothesis (H₀) - There is no relationship between the Education and Factors influencing to buy.

Table-3

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<th>Post Graduate</th>
<th>Diploma</th>
<th>Any Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product is Good</td>
<td>36</td>
<td>18</td>
<td>4</td>
<td>3</td>
<td>61</td>
</tr>
<tr>
<td>Produced by Great Organization</td>
<td>12</td>
<td>12</td>
<td>2</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>Apt for Personality</td>
<td>31</td>
<td>18</td>
<td>0</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>Perfect Symbol</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>50</td>
<td>7</td>
<td>6</td>
<td>150</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Calculation

Degree of freedom = (c-1) (r-1) = (4-1) (4-1) = 3*3 = 9

Level of Significance = 5%

Table Value = 16.919

Interpretation: At 5% level of significance & 9 degree of freedom, the computed value of chi-square is 8.9509, & the table value is 16.919. Since the computed value is less than the table value, the null hypothesis is accepted.

Inference: Hence, it may be concluded that there is no relationship between the Education and Factors influencing to buy.

Null Hypothesis (H₀): There is no relationship between the Family income and Price range of Kurti.

Table-4

<table>
<thead>
<tr>
<th>Family Income / Price</th>
<th>Below Rs. 10000</th>
<th>Rs. 10000 - Rs.20000</th>
<th>Rs. 20000 - Rs.30000</th>
<th>Above Rs. 30000</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 300</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>300 – 500</td>
<td>6</td>
<td>18</td>
<td>7</td>
<td>12</td>
<td>43</td>
</tr>
<tr>
<td>500 – 750</td>
<td>6</td>
<td>24</td>
<td>15</td>
<td>17</td>
<td>62</td>
</tr>
<tr>
<td>Above 750</td>
<td>2</td>
<td>9</td>
<td>2</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>58</td>
<td>28</td>
<td>42</td>
<td>150</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Calculation

Degree of freedom = (c-1) (r-1) = (4-1) (4-1) = 3*3 = 9

Level of Significance = 5%

Table Value = 16.919

Interpretation: At 5% level of significance & 9 degree of freedom, the computed value of chi-square is 10.5820, & the table value is 16.919. Since the computed value is less than the table value, the null hypothesis is accepted.
Inference: Hence, it may be concluded that there is no relationship between the Family income and Price range of Kurti.

SUGGESTIONS

Segmentation of Market

Improved segmentation of lady plus can lead to significantly improved marketing effectiveness. Distinct segments have different structures and thus have higher attractiveness. With the right segmentation, the right list can be purchased, advertising results can be improved and customer satisfaction can be ultimately increased.

Expectation on Kurti

- Good look.
- Improved personality.
- Modern style.
- Durability.
- Attractive and comfortable.

CONCLUSION

From the study conducted on brand management for Kurti with special reference to Lady Plus of Siruvani Clothing Private Limited, Coimbatore. The researcher has found that there are most of the respondents interested in buying and wearing Kurti. Therefore, the company needs to take measures and steps as indicated in order to attract new customers and more outlets should be started within short period. Thus by following the suggestion given by the researcher and also taking more steps to persuade customers, the level of loyalty could be brought to a higher level in the case of Kurti manufacturing and there is no doubt for being a market leader among the competitors in the near future.

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61. Retrieved from http://www.psc.isr.umich.edu/dis/infoServ/isrpub/browse/2380
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- A Scanned Photograph, and
- Academic Area of Interest.

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A STUDY ON EMPLOYEE’S PERFORMANCE MEASUREMENT USING 360 DEGREE PERFORMANCE APPRAISAL SYSTEM AMONG THE EMPLOYEES OF GB ENGINEERING ENTERPRISES (P) LIMITED OF THUVAKUDI AT TRICHY

A. Kannammal

INTRODUCTION

A 360-degree performance appraisal is an employee evaluation tool that includes feedback from a supervisor (90°), subordinates (90°), colleagues (90°) and self (90°). The purpose is to create a broader view of the employee’s performance based on the impact of relationships with key stakeholders.

360-degree appraisal has four integral components:

- **Self-Appraisal:** Self-appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance.
- **Subordinates Appraisal:** Subordinates appraisal gives a chance to judge the employee on the parameters like communication and motivating abilities, superior is ability to delegate the work, leadership qualities etc.
- **Superior’s Appraisal:** The supervisor may also have the broadest perspective on the work requirements and be able to take into account shifts in those requirements. Superiors should be able to observe and measure all surfaces of the work to make a fair evaluation.
- **Peers Appraisal:** Peer ratings have been excellent predictors of future performance and “manner of performance”. The addition of peer feedback can help move the supervisor into a coaching role rather than a purely judging role.

OBJECTIVE OF STUDY

- To identify valid information about employee performance in organization.
- To focus on subjective areas such as teamwork, characteristic, and leadership.
- To evaluate 360 degree feedback on how other perceive on employee.
- To measures relationship between the employees and management.

Sample Design: Probability Sampling is a method of sampling that enables the researcher to specify for each case in the population the probability of its inclusion in the sample.

Sample Method: Stratified random sampling technique was selected while preparing questionnaire as this was the only technique that helped to draw conclusions accurately.

Sample Unit: A sampling unit is one of the units into which an aggregate is divided for sampling, each unit being regarded as individual and indivisible when the selection is made. Sampling unit is GB Engineering Enterprises Private Limited, Thuvakudi, and Trichy.”

Sample Size: A sample of 120 employees has been selected.

Method of Data Collection

Primary Data: Primary data are measured or observed or collect original data i.e., to conduct first hand investigation. The work of collecting original data is usually limited by time, money and manpower available for the study.

Secondary Data: The data already been collected by others, such data are called secondary data, secondary data can be obtained from journals, reports, records, government publications of research organizations, trade and professional bodies etc.

Statistical Design

Simple Percentage Method: Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data.

41 Assistant Professor, Department of Commerce, Srimad Andavan College, Tamil Nadu, India, pdc.mgmt2016conference@gmail.com
Chi-Square Test: The measure of chi-square enables us to find out the degree of discrepancy between ‘observed’ frequencies and ‘theoretical’ or ‘expected’ frequencies and thus to determine whether the discrepancy between observed and theoretical frequencies is due to the error of sampling or due to the chance.

Standard Deviation: In statistics, the standard deviation is a measure that is used to quantify the amount of variation or dispersion of a set of data values. A standard deviation close to 0 indicates that the data points tend to be very close to the mean (also called the expected value) of the set, while a high standard deviation indicates that the data points are spread out over a wider range of values.

Mean: The arithmetic mean, also called the average or average value, is the quantity obtained by summing two or more numbers or variables and then dividing by the number of numbers or variables.

PROFILE OF COMPANY


GB Engineering Enterprises Private Limited (GBEEPL) is a part of the Resurgent Group of companies. It was established in 1980 as a partnership firm and subsequently converted into a private limited company in 1987.

GBEEPL is an ISO 9001 certified and American Society for Mechanical Engineers (ASME) Code authorized company, engaged in the fabrication of high pressure application parts for heavy boilers, pressure vessels, heat exchangers, etc. The manufacturing units of the company are located in Trichy and the manufacturing capacity available with the company is 10,000 MTPA (metric tons per annum). The company-commenced operations in 1980 as a fabricator of structural engineering parts to Bharat Heavy Electricals Limited (BHEL), Trichy, and diversified into manufacturing of pressure parts for boilers over a period. The company specializes in the manufacture of critical pressure parts and components.

DATA ANALYSIS

Table 1: Percentage Analysis

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particular</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>86</td>
<td>71.7</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>34</td>
<td>28.3</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td>Single</td>
<td>71</td>
<td>59.2</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>49</td>
<td>40.8</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Sources: SPSS 14

Interpretation: Form the percentage analysis it was found that, Majority of the respondents 71.7% are Male, hence the physically heavy work are high in the organisation. Form the percentage analysis it was found that, Majority of the respondents 59.2% are Single, hence the organisation are provide opportunities for Young age employees and they have ability to do that job.

Chi-Square test

Test Number 1: To Test respondents of Gender*Self-evaluation

H0: There is no significant relationship between Gender and Self-evaluation factor.

Table 2

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>value</th>
<th>d.f.</th>
<th>Asymp. sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Interaction with employee</td>
<td>4.446</td>
<td>4</td>
<td>.349</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Set standard of work</td>
<td>10.133</td>
<td>4</td>
<td>.038</td>
<td>Null Hypothesis Rejected</td>
</tr>
<tr>
<td>3</td>
<td>Ensure Error free work</td>
<td>2.119</td>
<td>4</td>
<td>.714</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Team expectation</td>
<td>15.006</td>
<td>4</td>
<td>.005</td>
<td>Null Hypothesis Rejected</td>
</tr>
<tr>
<td>5</td>
<td>Adapt change</td>
<td>5.613</td>
<td>4</td>
<td>.230</td>
<td>Null Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Sources: SPSS 14
H₁: There is significant relationship between Gender and Self-evaluation factor.

Result: From the above Chi-Square table, it is to find that: **In Self-evaluation factor Compared with gender**, Three variables null hypothesis was accepted (Interaction with employee, Ensure error free work, adapts change) and Two variables Null hypothesis was rejected (set standard for work factor, Team expectation).

Test Number 2: To Test respondents of Gender*peers

H₀ – there is no significant relationship between Gender and Peers factor.
H₁ – there is significant relationship between Gender and Peers factor.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>value</th>
<th>d.f.</th>
<th>Asymp. sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Team Role</td>
<td>.623</td>
<td>4</td>
<td>.960</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Team Support</td>
<td>11.133</td>
<td>4</td>
<td>.025</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Easy to work with team</td>
<td>7.841</td>
<td>4</td>
<td>.98</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Share information</td>
<td>7.848</td>
<td>4</td>
<td>.97</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>5</td>
<td>Attitude of peers</td>
<td>19.631</td>
<td>4</td>
<td>.001</td>
<td>Null Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Result: From the above Chi-Square table, it is to find that: **In Peers factor Compared with gender**, three variables null hypothesis was accepted (Team roles maximize output, Easy to work with team, Share information) and two variables Null hypothesis was rejected (Team support, Attitude of peers).

Test Number 3: To Test respondents of Gender*Supervisor

H₀: There is no significant relationship between Gender and Supervisor factor.
H₁: There is significant relationship between Gender and Supervisor factor.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>value</th>
<th>d.f.</th>
<th>Asymp. sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Good listening</td>
<td>2.960</td>
<td>4</td>
<td>.565</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Discuss with superior</td>
<td>.463</td>
<td>4</td>
<td>.977</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Dealing Staff</td>
<td>6.954</td>
<td>4</td>
<td>.138</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Supervisor relation</td>
<td>15.901</td>
<td>4</td>
<td>.003</td>
<td>Null Hypothesis Rejected</td>
</tr>
<tr>
<td>5</td>
<td>Decision on promotion</td>
<td>2.279</td>
<td>4</td>
<td>.685</td>
<td>Null Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Result: From the above Chi-Square table, it is to find that: **In Supervisor factor Compared with gender** Four variables null hypothesis was accepted (Good listening, Discuss with superior, Dealing staff, Decision on promotion) and one variables Null hypothesis was rejected (Supervisor relation).

Test Number 4: To Test respondents of Gender*Subordinate

H₀: There is no significant relationship between Gender and Subordinate factor.
H₁: There is significant relationship between Gender and Subordinate factor.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>value</th>
<th>d.f.</th>
<th>Asymp. sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Recognition</td>
<td>6.367</td>
<td>4</td>
<td>.173</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Support/ Encouragement</td>
<td>6.083</td>
<td>4</td>
<td>.193</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Direction on new project</td>
<td>1.892</td>
<td>4</td>
<td>.756</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Feel Fear</td>
<td>1.432</td>
<td>4</td>
<td>.839</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>5</td>
<td>Mutual respect</td>
<td>4.130</td>
<td>4</td>
<td>.389</td>
<td>Null Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Result: From the above Chi-Square table, it is to find that: **In Supervisor factor Compared with gender** Four variables null hypothesis was accepted (Good listening, Discuss with superior, Dealing staff, Decision on promotion) and one variables Null hypothesis was rejected (Supervisor relation).
Result: From the above Chi-Square table, it is to find that: **In Subordinate factor Compared with gender**, five variables null hypothesis was accepted (Recognition, Support / Encouragement, Direction on new project, Feel fear, and Mutual respect).

Test Number 6: To Test respondents of Marital status*Self-evaluation

H₀: There is no significant relationship between marital status and Self-evaluation factor.
H₁: There is significant relationship between marital status and Self-evaluation factor.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>value</th>
<th>D.f.</th>
<th>Asymp. sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Interaction with employee</td>
<td>11.305</td>
<td>4</td>
<td>.023</td>
<td>Null Hypothesis Rejected</td>
</tr>
<tr>
<td>2</td>
<td>Set standard</td>
<td>4.162</td>
<td>4</td>
<td>.385</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Ensure Error free</td>
<td>4.778</td>
<td>4</td>
<td>.311</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Team expectation</td>
<td>3.350</td>
<td>4</td>
<td>.501</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>5</td>
<td>Adapt change</td>
<td>3.309</td>
<td>4</td>
<td>.508</td>
<td>Null Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Sources: SPSS 14

Result: From the above Chi-Square table, it is to find that: **In Self-evaluation factor Compared with Marital status**, Four variables null hypothesis was accepted (Ensure error free work, Set standard for work factor, Team expectation, Adapt change) and one variables Null hypothesis was rejected (Interaction with employee).

Test Number 7: To Test respondents of Marital status*peers

H₀: There is no significant relationship between marital status and Peers factor.
H₁: There is significant relationship between marital status and Peers factor.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>value</th>
<th>D.f.</th>
<th>Asymp. sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Team Role</td>
<td>6.061</td>
<td>4</td>
<td>.195</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Team Support</td>
<td>4.804</td>
<td>4</td>
<td>.308</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Easy to work with team</td>
<td>7.462</td>
<td>4</td>
<td>.113</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Share information</td>
<td>11.117</td>
<td>4</td>
<td>.025</td>
<td>Null Hypothesis Rejected</td>
</tr>
<tr>
<td>5</td>
<td>Attitude of persons</td>
<td>2.393</td>
<td>4</td>
<td>.628</td>
<td>Null Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Sources: SPSS 14

Result: From the above Chi-Square table, it is to find that: **In Peers factor Compared with Marital status**, Four variables null hypothesis was accepted (Team roles maximize output, Easy to work with team, Share information, Attitude of persons) and one variables Null hypothesis was rejected (Team support).

Test Number 8: To Test respondents of Marital status*Supervisor

H₀: There is no significant relationship between marital status and Supervisor factor.
H₁: There is significant relationship between marital status and Supervisor factor.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>value</th>
<th>D.f.</th>
<th>Asymp. sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Good listening</td>
<td>7.677</td>
<td>4</td>
<td>.105</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Discuss with superior</td>
<td>.299</td>
<td>4</td>
<td>.990</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Dealing Staff</td>
<td>3.537</td>
<td>4</td>
<td>.472</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Supervisor relation</td>
<td>4.361</td>
<td>4</td>
<td>.359</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>5</td>
<td>Decision on promotion</td>
<td>4.411</td>
<td>4</td>
<td>.353</td>
<td>Null Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Sources: SPSS 14

Result: From the above Chi-Square table, it is to find that: **In Supervisor factor Compared with Marital status**, Five variables null hypothesis was accepted (Good listening, Discuss with superior, Dealing staff, Supervisor relation, Decision on promotion).
Test Number 9: To Test respondents of Marital status*Subordinate

H₀: There is no significant relationship between marital status and Subordinate factor.
H₁: There is significant relationship between marital status and Subordinate factor.

Table-9

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>Value</th>
<th>D.f.</th>
<th>Asymp sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Recognition</td>
<td>24.072</td>
<td>4</td>
<td>.144</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Support/Encouragement</td>
<td>7.977</td>
<td>4</td>
<td>.703</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Direction on new project</td>
<td>50.225</td>
<td>4</td>
<td>.128</td>
<td>Null Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Feel Fear</td>
<td>5.580</td>
<td>4</td>
<td>.021</td>
<td>Null Hypothesis Rejected</td>
</tr>
<tr>
<td>5</td>
<td>Mutual respect</td>
<td>12.998</td>
<td>4</td>
<td>.424</td>
<td>Null Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Sources: SPSS 14

Result: From the above Chi-Square table, it is to find that: In Subordinate factor Compared with Marital status, four variables null hypothesis was accepted (Recognition, Support/Encouragement, Direction on new project, Mutual respect) and one variable null hypothesis was rejected (Feel fear).

Mean and Standard Deviation Test

Table-10: To Test respondents of Self-evaluation Factor

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>Mean Result</th>
<th>Standard Deviation Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Interaction with employee</td>
<td>3.71</td>
<td>1.024</td>
</tr>
<tr>
<td>2</td>
<td>Standard for work</td>
<td>3.77</td>
<td>.976</td>
</tr>
<tr>
<td>3</td>
<td>Ensure work is error free</td>
<td>3.63</td>
<td>1.101</td>
</tr>
<tr>
<td>4</td>
<td>Team Expectation</td>
<td>3.69</td>
<td>1.052</td>
</tr>
<tr>
<td>5</td>
<td>Adapt change</td>
<td>3.60</td>
<td>1.066</td>
</tr>
</tbody>
</table>

Sources: SPSS 14

Interpretation

In self-evaluation factor, Maximum means value was 3.77 for Set standard of work and minimum mean value was 3.60 for Adapt change.
In self-evaluation factor, Maximum value of standard deviation was 1.101 for Ensure work is error free.

Table-11: To Test respondents of Peers Factor

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>Mean Result</th>
<th>Standard Deviation Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Team roles to maximize output</td>
<td>3.72</td>
<td>1.022</td>
</tr>
<tr>
<td>2</td>
<td>Team support in project</td>
<td>3.43</td>
<td>1.075</td>
</tr>
<tr>
<td>3</td>
<td>Work with team members</td>
<td>3.58</td>
<td>1.058</td>
</tr>
<tr>
<td>4</td>
<td>Share information with teams</td>
<td>3.77</td>
<td>1.128</td>
</tr>
<tr>
<td>5</td>
<td>Attitude of peers</td>
<td>3.69</td>
<td>1.222</td>
</tr>
</tbody>
</table>

Sources: SPSS 14

Interpretation

In peer’s factor, Maximum means value was 3.77 for Team support in project and Minimum mean value was 3.43 for Share any of information with teams
In peer’s factor, Maximum value of standard deviation was 1.222 for Attitude of peers.

Table-12: To Test respondents of Supervisor Factor

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>Mean Result</th>
<th>Standard Deviation Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Listening superior</td>
<td>3.58</td>
<td>1.097</td>
</tr>
<tr>
<td>2</td>
<td>Superior time to discuss</td>
<td>3.23</td>
<td>1.075</td>
</tr>
<tr>
<td>3</td>
<td>Superior dealing</td>
<td>3.43</td>
<td>1.043</td>
</tr>
<tr>
<td>4</td>
<td>Supervisor review</td>
<td>3.52</td>
<td>1.085</td>
</tr>
<tr>
<td>5</td>
<td>Supervisor decision</td>
<td>3.39</td>
<td>1.023</td>
</tr>
</tbody>
</table>

Sources: SPSS 14
Interpretation

In supervisor relationship factor, Maximum means value was 3.58 for Superior time to discuss and Minimum means value was 3.23 for Listening/obeying.

In supervisor relationship factor, Maximum value of standard deviation was 1.097 for Listening superior.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Seq. Factor</th>
<th>Mean Result</th>
<th>Standard Deviation Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Recognition for subordinate</td>
<td>3.44</td>
<td>.915</td>
</tr>
<tr>
<td>2</td>
<td>Encouragement for subordinate</td>
<td>3.59</td>
<td>1.008</td>
</tr>
<tr>
<td>3</td>
<td>Direction to subordinate in new project</td>
<td>3.59</td>
<td>1.000</td>
</tr>
<tr>
<td>4</td>
<td>Fear to speak with superior</td>
<td>2.89</td>
<td>1.275</td>
</tr>
<tr>
<td>5</td>
<td>Mutual respect in organization</td>
<td>3.54</td>
<td>.916</td>
</tr>
</tbody>
</table>

Sources: SPSS 14

In subordinate factor, Maximum mean value was 3.59 for Encouragement of subordinate, Maximum mean value was 3.59 for Direction to subordinate in new project and Minimum mean value was 2.89 for Fear to speak with superior.

In subordinate factor, Maximum value of standard deviation was 1.275 for that Fear to speak with superior.

SUGGESTIONS

From the fore going analysis and findings it is clear that,

- To develop the performance of the employees, the organization has to adopt new method of work environment for team members.
- In self-evaluation, the employees are having different opinion, they are expecting some salary, promotion based on recognition, and implement guidelines are generates performance of employees work.
- Teams are important for success at the same time the relationship of superior and subordinates have to better than the present scenario.
- More training program can be conducts to bring the desirable change and improve better performance in new project.
- The organization structure has to be more flexible to have better human relation so as easy to understand the employee mind-set.

CONCLUSION

Evaluation is a continuous process an appraising the employees is not only to review his performance but also help him to develop himself, Transparency into the system should be ensured through the discussion about the employee’s performance with the employee concerned and try to find out the grey areas so that training can be implemented to improve on that. The better human relations are required, which most incorporates both the work performance as well as resolve personal attributes.

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FUNDAMENTAL AND TECHNICAL ANALYSIS OF EQUITY SHARES IN IT INDUSTRY

D. Ramya

ABSTRACT

If there’s a science to investing then why do we call investing a risk? And if it’s not a risk, then why do people end up losing money from their investments in shares? In this project report I have tried to answer the questions you might have about investing in shares. When is investing in shares a risk and when does it become a science? How can you be assured that your investment in shares is safe? And more importantly, I’ve tried to explain some basic concepts that most investors take for granted but that are crucial knowledge for a person just entering into the financial jungle. So simple but useful concepts in fundamental and technical analysis have been explained in a simple manner for the benefit of the first-timers. Not only that this project report also seeks to educate the would-be investors in the various aspects of share trading, both offline and online.

I hope the project report shall succeed in satisfying your desire for knowledge of the share market as well as in lending investor a helping hand as they take your FIRST STEP into the world of investing. Main purpose of investment is returns and liquidity, share market is less preferred by investors due to lack of awareness. The major findings of this study are that people are interested to invest in stock market but they lack knowledge.

KEYWORDS
Technical Analysis, Equity Share, Dividend, Operating Margin, Price Movements, Security Analysis, Portfolio Management etc.

INTRODUCTION

Investment is putting money into something with the expectation of gain that upon thorough analysis has a high degree of security of principle, as well as security of return, within an expected period.

A security is a unit of account for various financial instruments including stocks, mutual funds, limited partnerships, and REIT’s. In British English, the usage of the word share alone to refer solely to stocks is so common that it almost replaces the word stock itself. In simple Words, a share or stock is a document issued by a company, which entitles its holder to be one of the owners of the company. A share is issued by a company or can be purchased from the stock market.

Security Analysis: Security Analysis is the analysis of tradable financial instruments called securities. Analysis of financial securities and forecasting the future returns is termed as security analysis.

Classification of Security Analysis

The methods used to analyze securities and make investment decisions fall into two very broad categories. Security analysis is broadly classified into two: a) Fundamental analysis, and b) Technical Analysis.

A) Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security’s value by focusing on underlying factors that affect a company’s actual business and its future prospects. On a broader scope, you can perform fundamental analysis on industries or the economy as a whole. The term simply refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. Fundamental analysis is broadly classified in to three areas:

Economic Analysis
Investors are concerned with those factors in the economy, which affects the performance of the organization in which they wish to participate through purchase of stock. A study of economic forces would give an idea about future corporate earnings and the payment of dividends and interest to investors. Economic analysis occupies the first place in the financial analysis top down approach. When the economy is having sustainable growth, then the industry group (Sectors) and companies will get benefit and grow faster. The analysis of macroeconomic environment is essential to understand the behavior of the stock prices.

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The following factors are considered in economic analysis:

- Growth rate of Gross Domestic Product.
- Industrial growth rate.
- Inflation rate.
- Exchange rates.
- Balance of payments.
- Government budgets and deficits.
- Interest rates.
- Tax structure.
- Demographic factors.

**Industry Analysis:** The second face of fundamental analysis consists of a detailed analysis of a specific industry; its characteristics, its past record, its future prospects. An industry is a group of firms that have a similar technological structure of production and produce similar products. The objective of industry analysis is to assess the prospects of various industrial groupings.

The industry analysis should take into account the following factors:

- Characteristics of the Industry,
- Stage in Industry life cycle,
- Government policy,
- Demand and market,
- Human resource,
- Future prospect.

**Company or Corporate Analysis:** Company analysis is a study of variables that influence the future of a firm both qualitatively and quantitatively. It is a method of assessing the competitive position of a firm, its earning and profitability, the efficiency with which it operates its financial position and its future with respect to earning of its shareholders.

**Table-1: Factors considered in Company Analysis**

<table>
<thead>
<tr>
<th>Non-financial Aspects</th>
<th>Financial Aspects</th>
</tr>
</thead>
<tbody>
<tr>
<td>• History and track record,</td>
<td>• Financial statement comparison,</td>
</tr>
<tr>
<td>• Technology,</td>
<td>• Dividend,</td>
</tr>
<tr>
<td>• Management,</td>
<td>• Earnings per share,</td>
</tr>
<tr>
<td>• Human resource,</td>
<td>• Price earnings ratio,</td>
</tr>
<tr>
<td>• Brand image,</td>
<td>• Book value,</td>
</tr>
<tr>
<td>• Competitive advantage,</td>
<td>• Key ratio analysis.</td>
</tr>
<tr>
<td>• Infrastructure,</td>
<td></td>
</tr>
<tr>
<td>• Market share of the company.</td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

Fundamental analysis can be used to identify companies that represent good value. Hence, it is good for long-term investments.

**Trend Lengths:** Along with these three trend directions, there are three trend classifications. A trend of any direction can be classified as a long-term trend, intermediate trend or a short-term trend. The major trend is generally categorized as one lasting longer than a year. An intermediate trend is considered to last between one and three months and a near-term trend is anything less than a month. A long-term trend is composed of several intermediate trends, which often move against the direction of the major trend. If the major trend is upward and there is a downward correction in price movement followed by a continuation of the uptrend, the correction is considered an intermediate trend. The short-term trends are components of both major and intermediate trends.
Moving Averages

Most chart patterns show a lot of variation in price movement. This can make it difficult for traders to get an idea of a security's overall trend. One simple method traders use to combat this is to apply moving averages. A moving average is the average price of a security over a set amount of time. By plotting a security's average price, the price movement is smoothed out. There are two types of moving averages: a) Simple moving average, and b) Exponential moving average.

\[
\text{SMA: Time period share price sum / Time period} \\
\text{Multiplier: } \left(\frac{2}{(\text{Time periods} + 1)}\right) \\
\text{EMA: } \{\text{Close} - \text{EMA (previous day)}\} \times \text{multiplier} + \text{EMA (previous day)}. \\
\]

OBJECTIVES OF STUDY

To analyze the equities of top three Indian IT companies in CNX IT listing through fundamental and technical analysis. To study the current scenario of Indian economy. To analyze the potential of IT Industry in India. To study the benefits and risks associated with the long term investments in those top IT companies. To do technical analysis to find the short-term benefits and risks associated with the IT sector equities. To predict the future movements of scrip prices through charting techniques. To analyze the growth potential of those equities through technical indicators.

REVIEW OF LITERATURE

According to Warren buffet, one of a successful investor in Wall Street

“Share is a portion of ownership in a corporation. The holder of a stock is entitled to the company's earnings and is responsible for its risk for the portion of the company that each stock represents.”

“The basic ideas of investing are to look at stocks as business, use the market's fluctuations to your advantage, and seek a margin of safety. That is what Ben Graham taught us. A hundred years from now, they will still be the cornerstones of investing “

According to Theodore Roosevelt at a Message to Congress in 1908

“There is no moral difference between gambling at cards or in lotteries or on the race track and gambling in the stock market.”

According to Kenneth L Fisher, Stock Market Guru

“Most investors don’t even stop to consider how much business a company does. All they look at are earnings per share and net assets per share.”

According to Jesse Livermore

“The price pattern reminds you that every movement of importance is but a repetition of similar price movements, that just as soon as you can familiarize yourself with the actions of the past, you will be able to anticipate and act correctly and profitably upon forthcoming movements.”

RESEARCH METHODOLOGY

Research Problem: To analyze the stock market of IT sectors and to help the short term as well as long-term investors in the investment decision in IT sectors of the Indian scenario through fundamental and technical analysis.

Research Design: The research has been based on secondary data analysis. The study has been exploratory as it aims at examining the secondary data for analysing the previous researches that have been done in the area of technical and fundamental analysis of stocks. The knowledge thus gained from this preliminary study forms the basis for the further detailed Descriptive research. In the exploratory study, the various technical indicators that are important for analysing stock were actually identified and important ones short listed.

Data Collection Method

Primary data: Primary data are collected by regularly monitoring the share market. Though the number of stock exchanges in India are plural, research work is carried on in the NSE (National stock exchange of India) in the CNX IT listing.
Secondary Data: The share prices of Infosystech, Wipro and TCS for a period of five years was collected from the database National Stock Exchange. The historical Nifty movement was collected from National Stock Exchange. The economy related data were collected from Reserve bank of India and Ministry of finance. The financial statements of the IT companies were collected from their respective websites.

Timeframe of Research: The research has been done for a period of six months. However, the time for the data collection of this research is as follows:

- **Fundamental analysis:** Past five year data from various secondary sources
- **Technical analysis:** Three months data from various primary and secondary sources
- **Research Population:** This research is done in CNX IT. The companies listed in NSE CNX IT are the population.

NSE CNX IT Sector Index: CNX IT Index is an index comprised of liquid and large capitalization IT stocks, traded on the NSE, engaged in the business of software or hardware. CNX IT provides investors and market intermediaries with an appropriate benchmark that captures the performance of the IT segment of the market. The index is a market capitalization weighted index with base date being 1st January 1996 and base index value being 1000. Companies selected in the index have to be IT stocks, which should rank high in terms of market value represented by their market capitalization and liquidity.

**Table-2: List of CNX IT Companies**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CMC Ltd.,</td>
</tr>
<tr>
<td>2.</td>
<td>Moser Baer India Ltd</td>
</tr>
<tr>
<td>3.</td>
<td>Core Projects &amp; Technologies Ltd</td>
</tr>
<tr>
<td>4.</td>
<td>Mphasis Ltd</td>
</tr>
<tr>
<td>5.</td>
<td>Educomp Solutions Ltd</td>
</tr>
<tr>
<td>6.</td>
<td>Oracle Financial Services Software Ltd</td>
</tr>
<tr>
<td>7.</td>
<td>Financial Technologies (India) Ltd</td>
</tr>
<tr>
<td>8.</td>
<td>Patni Computer Systems Ltd</td>
</tr>
<tr>
<td>9.</td>
<td>Firstsource Solutions Ltd</td>
</tr>
<tr>
<td>10.</td>
<td>Polaris Software Lab Ltd</td>
</tr>
<tr>
<td>11.</td>
<td>GIL Ltd</td>
</tr>
<tr>
<td>12.</td>
<td>Rolta India Ltd., Computers</td>
</tr>
<tr>
<td>13.</td>
<td>HCL Infosystems Ltd</td>
</tr>
<tr>
<td>14.</td>
<td>Tata Consultancy Services Ltd</td>
</tr>
<tr>
<td>15.</td>
<td>HCL Technologies Ltd</td>
</tr>
<tr>
<td>16.</td>
<td>Tech Mahindra Ltd</td>
</tr>
<tr>
<td>17.</td>
<td>Infosys Technologies Ltd</td>
</tr>
<tr>
<td>18.</td>
<td>Tulip Telecom Ltd</td>
</tr>
<tr>
<td>19.</td>
<td>MindTree Ltd</td>
</tr>
<tr>
<td>20.</td>
<td>Wipro Ltd</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

Research Sample: Samples of three from the list of twenty IT companies were chosen for the study based on share prices and volume traded. They are as follows:

- Infosys Technologies Ltd
- Tata Consultancy Services Ltd
- Wipro Ltd

**KEY RATIO ANALYSIS**

**Graph-1: Dividend per Share of TCS**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>07-Mar</td>
<td>08-Mar</td>
<td>09-Mar</td>
<td>10-Mar</td>
<td>11-Mar</td>
</tr>
<tr>
<td>DPS(Rs)</td>
<td>11.5</td>
<td>14</td>
<td>14</td>
<td>20</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation
Graph-2: Earnings per Share of TCS

Sources: Authors Compilation

Graph-3: Dividend Pay Out Ratio of TCS

Sources: Authors Compilation

Graph-4: Price Earning Ratio of TCS

Sources: Authors Compilation
Graph-5: Operating Margin of TCS

<table>
<thead>
<tr>
<th>Date</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-Mar</td>
<td>30.21%</td>
</tr>
<tr>
<td>08-Mar</td>
<td>29.47%</td>
</tr>
<tr>
<td>09-Mar</td>
<td>28.04%</td>
</tr>
<tr>
<td>10-Mar</td>
<td>29.72%</td>
</tr>
<tr>
<td>11-Mar</td>
<td>31.55%</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Graph-6: Book Value per Share of TCS

<table>
<thead>
<tr>
<th>Date</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-Mar</td>
<td>82.35</td>
</tr>
<tr>
<td>08-Mar</td>
<td>111.43</td>
</tr>
<tr>
<td>09-Mar</td>
<td>136.38</td>
</tr>
<tr>
<td>10-Mar</td>
<td>76.73</td>
</tr>
<tr>
<td>11-Mar</td>
<td>99.53</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Graph-7: Technical Analysis - INFOSYSTCH
Price Movements of INFOSYSTCH

Sources: Authors Compilation
Graph-8: Volume Movements of Infosystch

Sources: Authors Compilation

FINDINGS

Fundamental Analysis

Economic Analysis

- The continuous increase of GDP is favorable news to stock market and it creates bullish impact on the stock market.
- Industrial growth rate is rapidly increasing through various government initiatives. There is a massive improvement in Manufacturing, Textile, Service, IT and Mining industries.
- The work force of India, which is cheap as well as skillful, attracts the foreign investments. 64% of the total population is literates. The education in professional courses is gone high in past decades.
- Even though there are hikes in prices in all types of goods, Inflation is not foreseeable problem as RBI and government of India have fighting priority towards inflation.
- The balance of trade is negative until now. However, there is an improvement in it. The negative rate of balance of trade is reducing slowly. India is leading exporter of gems and jewelry, textiles, engineering goods, chemicals, leather manufactures and services. India is poor in oil resources and is currently heavily dependent on coal and foreign oil imports for its energy needs.
- Government budget always faced deficit until now. India reported a government budget deficit equivalent to 5.50 percent of the Gross Domestic Product (GDP) in 2010. The budget 2011 planned in the way to overcome the deficit. The expected deficit is 4.5 percent of GDP.
- India's average interest rate was 5.82 percent reaching an historical high of 14.50 percent in August of 2000 and a record low of 3.25 percent in April of 2009. The current interest rate is 5.5 percent.
- The Indian Rupee exchange rate (USDINR) depreciated 2.29 percent during the last 12 months. Strengthening of rupee creates bullish market.
- Personal income tax exemption limit raised to Rs 180,000 from Rs 160,000 for individual tax payers in 2011 budget. For senior citizens, the qualifying age reduced to 60 years and exemption limit raised to Rs 2.50 lakh. This may raise the number of new investors in share market.

Industry Analysis

- The Information Technology industry has emerged as one of the most important industries in the Indian economy contributing significantly to the growth of the economy.
- The industry structure in the IT structure has four major categories. These are:
  - IT services,
  - IT enabled services,
  - Software products,
  - Hardware.
- The IT industry of India got a major boost from the liberalization of the Indian economy. India's software exports have grown at an annual average rate of more than 50% since 1991.
- The Indian IT industry is at the growth stage in Industry life cycle.
The government is taking initiatives and providing subsidies and infrastructure for the expansion of IT sector in India. The software technological parks Indian and Information Technology Investment Regions, which are having several tax exemptions, were set up by both state and central government induces further IT development.

The following Export promotion schemes are beneficial for IT industries.
- Export Oriented Units (EOUs) Scheme,
- Electronics Hardware Technology Parks (EHTPs),
- Software Technology Parks (STPs),
- Special Economic Zone (SEZ) Scheme,
- Export Promotion Capital Goods (EPCG) Scheme.

India is considered as one of the major IT hub in the world. One of the major reasons is its human resource availability. Abundant talent pool producing close to 6,75,000 technical graduates a year, of which 4,00,000 are engineers

Software exports from India are expected to grow in coming years. New markets for software exports from India have opened up in the Middle East, South and Southeast Asia, Africa, and Eastern Europe. While exports dominate the IT industry at present, there is huge scope of growth in the domestic market in the future. The focus for the future is to ensure that the benefits of the IT industry percolate to the grassroots levels.

COMPANY ANALYSIS

Infosys Technologies Limited

- The Dividend Per share is rapidly increasing in past three years. The current DPS is Rs 60. Increasing DPS attracts more investors.
- The Earnings Per Share has been increasing from the 2007 onwards and it is in its highest of Rs 112 in 2011. This shows that the company’s profit earning capacity is improving.
- The Dividend payout ratio is 54.5% in 2011. This attracts more long-term investors.
- The Price/Earnings ratio reflects the price currently paid by the market for each rupee of currently reported EPS. The year 2006-07 has shown a higher P/E ratio of 32.7 indicating the investor’s expectation and market appraisal of the firm. The current P/E Ratio is 25.93, which is normal.
- The Operating margin of Infosys is in the good stage and constantly increasing. The present Operating margin is 37.66%.
- The constant increase in book value of Infosys’s shares tends to attract the long-term investors who aim for capitalization. The present book value is Rs 426.85.

Wipro Limited

- The Dividend per Share is fluctuating with some small difficulties. The current dividend per share is Rs 6.
- The Earnings per Share of Wipro reaches its maximum in 2011 to Rs 33.37 from Rs 20.3 of 2009, which is a good increase. This shows the company is in the profit earning position.
- The Dividend Payout Ratio is constantly increasing. The current dividend payout ratio is 5.56%. This will be beneficial to the investors who seek dividend from their investments.
- The P/E ratio is Rs 13.46 in 2011, which is recovered from a huge decline of Rs 4.07 in 2009 due to recession.
- The Operating Margin reduced slightly in 2009 and 2010 and regained in 2011. The current Operating margin is 24%, which shows that the operational efficiency of Wipro is good.
- The Book Value of Wipro shares were Rs 85.42. This was increased in the year 2010 as Rs 120.49 and decreased back to Rs 86.46 in 2011.

Tata Consultancy Services Limited

- The Dividend per share is constant at Rs 14 in 2008 & 2009 and it rose to its maximum of Rs 20 in 2010. The current DPS is Rs 14 per share.
- The Earnings per share is fluctuating between Rs 38 and Rs 48. It is decreased to Rs 28.62 in 2010. The current EPS is Rs 38.62. This shows that the company is in profit making stage.
- There is a massive increase in Dividend payout ratio in 2010 (69.88%). The current DPS is 36.25% and thus indicates the company is investing its profit for future growth.
- The Price/Earnings ratio is recovered from Rs 10.92 in 2009 to Rs 37.49 in 2011.
- The Operating Margin was constantly reduced from 2007 to 2009 but the rate of decrease is less. It started increasing in 2010. The current Operating margin is 31.55%, which is the highest in past five years.
The book value of the share is highly fluctuating. It reached its maximum of rupees 138.38 in 2009. In 2010 it was rupees 76.72 which is the lowest. The current Book value is Rs 99.53. This recovery gives hope to the long-term investors.

**Technical Analysis**

**Infosys Technologies Limited**

- **Price Movements** - Infosys technologies shares were the highest priced shares amongst Indian IT industries. The 52-week high, low was Rs 3499 and Rs 2510 respectively. There is a downtrend from the month of January followed by sideways trend. There is a trend reversal at the end of March indicating an uptrend.
- **Volume Movements** - The highest volume traded in three months is 2060815 on 13th January 2011 and the lowest is 365048 on 16th February. The average volume traded is 1065838. The volume movements seem to be healthy. This shows that more number of investors involved in buying and selling Infosys shares.
- **Moving Averages** – The price line cuts the 20-day SMA, 10-day SMA and 10-day EMA curves at different occasions in the month of March indicating the bullish trend.
- **Bollinger Bands** – The Bollinger bands signals there is a high fluctuating in share prices in the month of March. The price line cuts the upper bands and thus signals the bullish trend.
- **Relative strength Index** – There are two oversold conditions in the month of February 2011. The price line travels below the centerline most days. The price line is above the centerline at the end of March and signals that the current trend is bullish.
- **Rate of Change (ROC)** - The rate of change crosses the centerline from below and signals the bullish trend. The rate of change stands at +10 points, which is relatively high in past three months.

**Wipro Limited**

- **Price Movements** – The share price declined from the beginning of this year. There is a trend reversal on 31st January 2011. The 52 week high, low are rupees 725 and rupees 372.10 respectively. There is a double top formation in the month of February. The trend is bullish in the month of March.
- **Volume Movements** - A highest volume of 39,10,042 shares were traded on 21st January. In addition, the lowest volume was 2,62,430 on 22nd March. The average volume traded in the period of three months is 14,77,700.
- **Moving Averages** – The price line cuts the 20-day SMA, 10-day SMA and 10-day EMA curves at different occasions in the month of March indicating the bullish trend.
- **Bollinger Bands** - There is a high volatility in share prices in the months of January and February followed by a silent market in the mid-February and March. The price line exceeds the upper Bollinger band at the end of March signaling the overbought condition and confirms the bullish trend.
- **Relative Strength Index (RSI)** – There are three oversold conditions, one in the month of January and two others in February. The RSI curve is travelling above the centerline indicating the bullish trend. The RSI touches the upper limit showing the future increase in price.
- **Rate of Change (ROC)** - The rate of change is positive from the month of February and declines in March followed by a massive increase and crosses +9 points. This shows that the current trend is bullish.

**SUGGESTIONS**

The Indian IT Industry is in the growth phase. The contribution of GDP by the Indian IT Industry is increasing year by year. The price trend of the samples taken in the CNX IT Listing seems to be bullish in the past two years. The Indian IT industry is reverting from the global economic recession. The fundamentals of all the samples are strong. This indicates that there is a good opportunities for long-term investors to invest in IT companies shares who aims for dividend and capitalization. The technical indicators are giving buy signal indicating a short-term uptrend trend. The investor can hold this share of IT companies for long term. Investors who want to get short term profit can enter as the stocks of IT companies are in over sold region and can exit when there is trend reversal and when share are in over bought region.

**CONCLUSION**

“The Fundamental and Technical analysis of equity shares in IT industry” is focus on analyzing both long-term and short-term investments in the IT industry and shows the opportunities involved in share investments in IT industry. The fundamentals are strong, the economy is on a boom and industry is on an expansion stage. The economic indicators are favorable to the stock market. The performance of the IT Industry on a whole is improving. The IT companies are in good position and their performances are showing growth year by year. This is apt time for investors to get into share market and make hay while
sunshine. The investor has to enter and exit at right levels. The technical indicators are now showing buy signal and it is the right time to enter to reap short-term profit.

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A STUDY ON RESEARCH JOURNALS USAGE BY ASSISTANT PROFESSORS IN CHENNAI

D. Anitha Kumari

ABSTRACT

If there is a science to investing then why do we call investing a risk? In addition, if it is not a risk, then why do people end up losing money from their investments in shares? In this project report, I have tried to answer the questions you might have about investing in shares. When is investing in shares a risk and when does it become a science? How can you be assured that your investment in shares is safe? In addition, more importantly, I have tried to explain some basic concepts that most investors take for granted but that are crucial knowledge for a person just entering into the financial jungle. So simple but useful concepts in fundamental and technical analysis have been explained in a simple manner for the benefit of the first-timers. Not only that this project report also seeks to educate the would-be investors in the various aspects of share trading, both offline and online. I hope the project report shall succeed in satisfying your desire for knowledge of the share market as well as in lending investor a helping hand as they take your FIRST STEP into the world of investing. Main purpose of investment is returns and liquidity, share market is less preferred by investors due to lack of awareness. The major findings of this study are that people are interested to invest in stock market but they lack knowledge.

This paper discusses the purpose of using research journals by University Assistant Professors in Chennai. Research journals are very essential for updating knowledge, teaching work, general awareness and for research work. 72 percent and 28 percent respondents showed first and second priority to using research journals for updating knowledge respectively. 16 percent, 72 percent and 12 percent respondents showed first, second and third priority to research journals for research work respectively. There are 88 percent respondents, which showed their third priority for using research journals to support teaching work. 10 percent, and 2 percent respondents gave first and fourth priority to this. Professors having less teaching experience use research journals for knowledge update, research, teaching work and general awareness more frequently as compared with professors who have more experience. Whereas the Ph.D. holders use research journals more frequently for it as compared to post graduates.

KEYWORDS

Research Journals, Professors, University, Journals, Reading Habits etc.

INTRODUCTION

When teachers at university have a purpose for reading research journals, they find that purpose not only directs their reading towards a goal, but helps to focus their attention and knowledge based information. Purposes may come from research directed questions, questions from practical experiences in class discussions or brainstorming, or from the individuals. Along with the questions, it is a good idea to pose predictions of the outcome and problems, which need to be solved from the reading of research journals. The teachers and professors may generate these, but each should use these to guide the researchers and students in the needed direction for the assigned and increase interest for selection of Journals.

Research journals are popular amongst the professionals and teachers as it covers the latest information with new discoveries, inventions and researches. It plays a crucial role in research work. Latest developments in the field are predominantly published in the scholarly journals. Professionals and scientists are interested in exhibiting their thought and ideas through articles in journals, which are the primary media of communication. Journals are indispensable features of the most of the library programs by virtue of their informational and research value. Among all services provided by university libraries, the periodical based information services are one of the most influencing services of their informational and research value. Among all services provided by university libraries, the periodical based information services are one of the most influencing services of their informational and research value. Among all services provided by university libraries, the periodical based information services are one of the most influencing services of their informational and research value. Among all services provided by university libraries, the periodical based information services are one of the most influencing services of their informational and research value.

LITERATURE REVIEW

Reading habit of teaches play an important role on students’ learning (Allington, 1994; Ruddell, 1995; Skinner & Belmont, 1993). Lundberg and Linnakyla (1993) emphasized that teachers become reading model when they share reading experience with their students. Rudlan and Kemp (2004) suggested that teachers involve themselves in relatively little professional reading, especially when compared to the reading habits of other professionals. They also suggested that reading that is undertaken is mainly from

43Assistant Professor, Department of Management, Prof. Dhanapalan College of Arts and Science, Tamil Nadu, India, anithakumari_dk@yahoo.co.in
periodicals that are largely pragmatic in nature. Realizing the importance of reading habit of teacher the need was realized to identify the most frequent reason that motivates university professor to read journal.

OBJECTIVES OF STUDY

- To identify the purpose of using research journals among University Professors.
- To study the impact of teaching experience on reading habits of teachers.
- To study the impact of qualification on reading habits of teachers.

RESEARCH METHODOLOGY

The sample of the present study consisted of Assistant Professors of Bahra University, Solan. A total of 40 teachers were asked about the usage of journals in their academic and professional lives. A well-designed structured questionnaire was used collect the information which was pre-tested.

ANALYSIS AND INTERPRETATION

Purpose of Using Research Journals

Table 1 shows the purpose of using research journals by the Assistant Professors of the university. 8 (20 percent) indicate their first preference to use of periodicals for updating knowledge. Similarly, Singh and Satija in their studies showed that scientific journals have been ranked first for obtaining specific information and keeping up to date. 16 (40 percent) and 12 (30 percent) respondents indicated their second and third preference to this respectively.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Updating Knowledge</td>
<td>F%</td>
<td>8 (20)</td>
<td>16 (40)</td>
<td>12 (30)</td>
</tr>
<tr>
<td>Research</td>
<td>F%</td>
<td>16 (40)</td>
<td>20 (50)</td>
<td>4 (10)</td>
</tr>
<tr>
<td>Teaching Work</td>
<td>F%</td>
<td>12 (30)</td>
<td>12 (30)</td>
<td>12 (30)</td>
</tr>
<tr>
<td>General Awareness</td>
<td>F%</td>
<td>4 (10)</td>
<td>0</td>
<td>8 (20)</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Table 2: Summary of Chi-square Test Qualification x Use of Research Journals for Updating Knowledge

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Use of Research Journals for Updating Knowledge</th>
<th>Total</th>
<th>Chi-Square</th>
<th>DF</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st P</td>
<td>2nd P</td>
<td>3rd P</td>
<td>4th P</td>
<td></td>
</tr>
<tr>
<td>PG</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>M.Phil.</td>
<td>0</td>
<td>12</td>
<td>0</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Ph.D.</td>
<td>8</td>
<td>0</td>
<td>12</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>16</td>
<td>12</td>
<td>4</td>
<td>40</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Table 2 shows that the value of qualifications x² use of research journals for updating knowledge is 8.000. The degree of freedom is 3. The p value is more than 0.05, which shows the insignificant difference.

Table 3: Summary of Chi-square Test Teaching Experience x Use of Research Journals for Updating Knowledge

<table>
<thead>
<tr>
<th>Teaching Experience</th>
<th>Use of Research Journals for Updating Knowledge</th>
<th>Total</th>
<th>Chi-Square</th>
<th>DF</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st P</td>
<td>2nd P</td>
<td>3rd P</td>
<td>4th P</td>
<td></td>
</tr>
<tr>
<td>0-5 years</td>
<td>4</td>
<td>12</td>
<td>4</td>
<td>4</td>
<td>24</td>
</tr>
<tr>
<td>5-10 years</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>10 years and more</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>16</td>
<td>12</td>
<td>4</td>
<td>40</td>
</tr>
</tbody>
</table>

Sources: Primary Data

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Table-3 reveals that the value of teaching experience x^2 use of research journals for updating knowledge is 12.800. The degree of freedom is 2. The P is < 0.01, which shows significant difference. Assistant Professors with less teaching experience uses research Journals more frequently than the Assistant Professors with more teaching experience.

**Table-4: Summary of Chi-square test Qualifications x Use of Research Journals for Research**

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Use of Research Journals for Research</th>
<th>Total</th>
<th>Chi-Square</th>
<th>DF</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st P</td>
<td>2nd P</td>
<td>3rd P</td>
<td>4th P</td>
<td></td>
</tr>
<tr>
<td>PG</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>M.Phil.</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Ph.D.</td>
<td>4</td>
<td>16</td>
<td>0</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>20</td>
<td>4</td>
<td>0</td>
<td>40</td>
</tr>
</tbody>
</table>

Sources: Primary Data

It is mentioned in table 1.3 that the value of qualifications x^2 use of research paper for research work is 10.400. The degree of freedom is 2. The P is < 0.01, which shows significant difference. This indicates that the Ph.D. holder use more frequently for research work as compared to M.Phil. and PG holder Assistant Professor.

**Research**

16 (40 percent) and 20(50 percent) Assistant Professors showed their first and second preference to use of research Journals for research work respectively. 4 (10percent) out of 40 respondents showed their 3rd preference for use of research journals for research work. No one showed it as his or her last choice. Similarly, Ahmad and Haridarsan showed that the research journals used at one of the national library is satisfactory. Most of the users were using research journals for research work.

**Table-5: Summary of Chi-square test Teaching Experience x Use of Research Journals for Research**

<table>
<thead>
<tr>
<th>Teaching Experience</th>
<th>Use of Research Journals for Research</th>
<th>Total</th>
<th>Chi-Square</th>
<th>DF</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st P</td>
<td>2nd P</td>
<td>3rd P</td>
<td>4th P</td>
<td></td>
</tr>
<tr>
<td>0-5 years</td>
<td>16</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>24</td>
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<tr>
<td>5-10 years</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>10 years and more</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>20</td>
<td>4</td>
<td>0</td>
<td>40</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Table-5 reveals that the value of teaching experience x^2 use of research journals for research work is 12.800. The degree of freedom is 2. The P is < 0.01, which shows significant difference. This indicates that Assistant Professors with less teaching experience uses research Journals more frequently than the Assistant Professors with more teaching experience.

**Teaching Work**

There are equal number of 12 (30 percent) respondents indicating their first, second and third preference to use of journals for teaching work. Only 4 out of 40 respondents in total have mentioned it as their 4th preference.

**Table-6: Summary of Chi-Square Test Qualifications x Use of Research Journals for Teaching Work**

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Use of Research Journals for Teaching Work</th>
<th>Total</th>
<th>Chi-Square</th>
<th>DF</th>
<th>P value</th>
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<tbody>
<tr>
<td></td>
<td>1st P</td>
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<td>3rd P</td>
<td>4th P</td>
<td></td>
</tr>
<tr>
<td>PG</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
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<td>8</td>
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<td>4</td>
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<tr>
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<td>12</td>
<td>12</td>
<td>4</td>
<td>40</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Table6 reveals that the value of qualifications x^2 use of research journals for research work is 4.800. The degree of freedom is 3. The P is < 0.01, which shows significant difference. It shows that use of periodicals for teaching work is significantly affected by
the qualifications of Assistant Professors. This indicates that the Ph.D. holders use research journals more frequently for research work as compared to M.Phil. and PG holders’ professor.

**Table-7: Summary of Chi-Square Test Teaching Experience x Use of Research Journals for Teaching Work**

<table>
<thead>
<tr>
<th>Teaching Experience</th>
<th>Use of Research Journals for Teaching Work</th>
<th>Total</th>
<th>Chi-Square</th>
<th>DF</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st P</td>
<td>2nd P</td>
<td>3rd P</td>
<td>4th P</td>
<td></td>
</tr>
<tr>
<td>0-5 years</td>
<td>0</td>
<td>12</td>
<td>8</td>
<td>4</td>
<td>24</td>
</tr>
<tr>
<td>5-10 years</td>
<td>4</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>10 years and more</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>Total</td>
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<td>12</td>
<td>12</td>
<td>4</td>
<td>40</td>
</tr>
</tbody>
</table>

Sources: Primary Data

The value of teaching experience x use of research Journals for teaching work as mentioned in table7 degree of freedom are 2. The P is < 0.01, which shows significant difference. That means the use of research Journals for teaching work is significantly affected by the teaching experience of the Assistant Professor. It may be noted that the Assistant Professor with less teaching experience particularly fresh scientist use research Journals more frequently for teaching work as compared to professors with more teaching experience.

**General Awareness**

The majority of respondents 70 percent mentioned their fourth preference to using research papers for general awareness. Hence, it can be inferred that least number of the respondents are using journal for general awareness.

**Table-8: Summary of Chi-square Test Qualifications x Use of Research Journals for General Awareness**

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Use of Research Journals for General Awareness</th>
<th>Total</th>
<th>Chi-Square</th>
<th>DF</th>
<th>P value</th>
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</thead>
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<td>3rd P</td>
<td>4th P</td>
<td></td>
</tr>
<tr>
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<td>0</td>
<td>0</td>
<td>4</td>
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<td>8</td>
<td>16</td>
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<tr>
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<tr>
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<td>0</td>
<td>8</td>
<td>28</td>
<td>40</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Table8 reveals that the value of qualifications x² use of research journals for general awareness is 24.800. The degree of freedom is 2. The P is < 0.01, which shows significant difference. It shows that use of periodicals for teaching work is significantly affected by the qualifications of Assistant Professors. This indicates that the Ph.D. holders use research journals more frequently for general awareness as compared to M.Phil. and PG holders’ professor.

**Table-9: Summary of Chi-square test Teaching Experience x Use of Research Journals for General Awareness**

<table>
<thead>
<tr>
<th>Teaching Experience</th>
<th>Use of Research Journals for Teaching Work</th>
<th>Total</th>
<th>Chi-Square</th>
<th>DF</th>
<th>P value</th>
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</thead>
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<td>2nd P</td>
<td>3rd P</td>
<td>4th P</td>
<td></td>
</tr>
<tr>
<td>0-5 years</td>
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<td>24</td>
</tr>
<tr>
<td>5-10 years</td>
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<td>0</td>
<td>4</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>10 years and more</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
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<td>12</td>
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<td>40</td>
</tr>
</tbody>
</table>

Sources: Primary Data

It is clear from table 1.8 that the x² value of teaching experience x use of periodicals for general awareness is 4.800 and degree of freedom is 3. The P is < 0.01, which shows significant difference. That means the use of Research Journals for teaching work is significantly affected by the teaching experience of the Assistant Professor. It may be noted that the Assistant Professor with less teaching experience particularly fresh teachers use research Journals more frequently for teaching work as compared to professors with more teaching experience.
CONCLUSIONS

The study reveals that 20 percent respondents showed that they use research Journals as 1st priority for updating knowledge. 40 percent showed that they use research Journals as 1st priority for research work. 30 percent showed that they use research Journals as 1st priority for teaching work and 10 percent used it for general awareness. There is no significance between Qualifications and using research journals for updating knowledge where as teachers with Ph.D. degrees make use of it more frequent for teaching work, research work and general awareness.

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A STUDY ON STUDENT ATTITUDES TOWARDS TEACHING AIDS WITH SPECIAL REFERENCE TO STUDENTS OF ARTS COLLEGES IN CHENNAI CITY

M. Rajeswari

ABSTRACT

Education is concerned with the transmission of knowledge. Understanding is the fundamental basis of learning, there is a wide range of differentiation among student’s interests, understanding and ability to learn. Inclusive participation provided will largely help student’s involvement in subject. This can be possible when teaching aids is mainly adapted for progressive acquisition of students. “A Study on Students Attitude towards Teaching Aids” explains about the students opinion towards the teaching aids used in teaching for communicating knowledge in an effective manner.

This research is purely based on primary data based on the empirical research and the tools used mainly based on chi-square, percentage analysis and on descriptive areas to identify the relationship between the significance. It is necessary to note that effective communication, better concentration and faster learning can only be facilitated or guaranteed by careful selection and skillful utilization of appropriate choice of teaching aid and the proper choice of instructional materials.

KEYWORDS

Technology, Student’s Attitudes, Teaching Aids etc.

INTRODUCTION

Audio visual aids are sensitive tools used in teaching and as avenues for learning. Audiovisual materials are produced, distributed and used as planned components of educational programs. It helps the process of learning that is motivation, classification and stimulation. Audio-visual aids are multisensory materials, which motivate and stimulate the individual. It makes dynamic learning experience more concrete realistic and clarity. It provides significant gains in thinking and reasoning.

Education is concerned with the transmission of knowledge. Understanding is the fundamental basis of learning, there is a wide range of differentiation among student’s interests, understanding and ability to learn. Inclusive participation provided will largely help student’s involvement in subject. This can be possible when teaching aids is mainly adapted for progressive acquisition of students. “A Study on Students Attitude towards Teaching Aids” explains about the students’ opinion towards the teaching aids used in teaching for communicating knowledge in an effective manner and to understand whether students can be benefited with the help of these types of teaching aids.

This Research proved that the use of teaching/audio-visual aids help people to learn faster and better than by verbal method alone. It is quite natural that the knowledge gained through the sense of sight is more accurate and permanent. Hence, what one sees, one remembers. More than 80 per cent of our knowledge is gained through our eyes.

OBJECTIVES OF STUDY

To understand the present status of students opinion towards the teaching aids.
To identify the factors influencing the use of teaching aids.
To understand whether students can be benefited with the help of these types of teaching aids.
To define the cons faced by the students on using of this particular teaching aids.
To suggest the suitable measures to improve the effectiveness of teaching aids.

STATEMENT OF PROBLEM

In this research study, the research problem was specified on Low Self-Confidence or Interest of a student. The factors such as lack of communication, not interested in seeking help, difficulty in adjusting to the college environment, where these factors leads a student to inadequate language or communication skills, as well leading to poor communication and poor participation in the class room and other activities which is a major drawback for a student to listen, grasp and understand the subject which reaches them to overall ineffectiveness.

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SCOPE OF STUDY

This study concentrates on the segment of student’s opinion towards the use of teaching aids. The targeted respondents (students) are from the Chennai city and concentrates on the category of colleges under University of Madras. The study is focused on limited sample size of 315 respondents on the present group of students with specifications on the relations to undergraduates and postgraduates. The study portrays the present usage of teaching aids, which are segregated into five i.e., Chalk boards, White boards, Power Point Projectors, Digital voice Recorder and Computers. This study will interpret the view of students on teaching aids on their pros, cons, effectiveness, overall suggestions that are reliable to the upgradation of the learning process.

RESEARCH METHODOLOGY

The following sections explain the structure of the methodology applied for the primary research. Research design is the conceptual structure within which my research is conducted. It constitutes the blueprint for the collection, measurement and analysis of my data. It provides a detailed presentation of the research, enhancing the researcher’s credibility as far as reliability and validity is concerned. Overall, the methods used for the primary research are based on both qualitative and quantitative studies.

METHODS OF COLLECTING DATA

The sources of data for the study are primary and secondary sources.

Primary Data: Primary data are gathered by investigators by distributing Explanatory type of questionnaire to the respondents. In this study, the survey and the observation also made to collect primary data.

Secondary Data: The main characteristic of the secondary data is the fact of having been collected by a third party, which means that they already exist. The Internet, for instance, enables researchers to look for information quickly and cheaply. Other secondary sources are reports, journals, articles and books.

Sample Size: The target respondent for this study is mainly students as this study deals with teaching aids. The sample size used for this study is 315 respondents. Segmentation of the 315 respondents was done based on the researcher’s preference.

| Table-1 |
|----------------|----------------|
| M.O.P Vaishnava college for women | 68 respondents |
| M.G.R. Janaki college for women | 53 respondents |
| Stella Maris college for women | 46 respondents |
| Loyola college for men | 41 respondents |
| D.R.B.C.C Hindu college | 41 respondents |
| Patrician college | 47 respondents |

Statistical Tools Used for the Study

The following mathematical and statistical tools were used to test the hypothesis framed and other relevant information.

- Descriptive analysis,
- Percentage analysis,
- Chi-square Tests.

LIMITATIONS OF STUDY

- This study is limited to the time of 6 months.
- This study also has the disadvantage of choosing only the category on arts colleges, which is affiliated under Madras University.
- The targeted respondents where restricted to the Chennai city on the basis only on present under graduate and post graduate students excluding the professionals and the research scholars.
REVIEW OF LITERATURE

Ghulam Shabiralyani, Khurram Shahzad Hasan, Naqvi Hamad , Nadeem Iqbal (2015), Impact of Visual Aids in Enhancing the Learning Process Case Research: District Dera Ghazi Khan, This research explore the teachers opinions on the use of visual aids (e.g., pictures, animation videos, projectors and films) as a motivational tool in enhancing students’ attention in reading literary texts. To accomplish the aim of the research, the closed ended questionnaire was used to collect the required data. The targeted population for this research was the staffs and students of the public and private educational institutions of District Dera Ghazi Khan. The collected data is analyzed through the SPSS software and also data was represented in the percentage distribution of pie, line, and bar graphs. The analysis of the data indicated that the majority of the teachers and students had positive perceptions of the use of visual aids.

Karthik (2005) Current Trends in Teaching Learning Practice (Technology Integration in Education): Prior to the last century, teaching was considered as a rigid, formal and stereo typed process of transmitting knowledge. Education was taken as a bipolar process with teachers at the giving end and students at the receiving end. Teachers were considered the only source of knowledge, may be through manuscripts or printed materials. Emphasis was laid on rigid discipline, blind memorization and hard reinforcement. Verbalism was enforced and no audio-visual aids or materials were utilized in the field of education. Recently, learning has assumed more importance than teaching. It has been rightly observed by the International Commission on the Development of Education that there has been a change in the learning process, which is tending to displace the teaching process. Multimedia systems have to now acquire more significance and educational technology has been popularly used for effectiveness.

Nicholls (2000) and Raw (2003) Instructional Materials: Instructional materials are print and non-print items that are designed to impart information to students in the educational process. Instructional materials include items such as kits, textbooks, magazines, newspapers, pictures, recordings, slides, transparencies, videos, video discs, workbooks, and including electronic media but not limited to music, movies, radio, software, CD-ROMs, and online services. Instructional material plays a very important role in the teaching-learning process and enhances the memory level of the students. Therefore, the teacher has to use instructional materials to make the teaching-learning process interesting.

Giridhar (2002) Overhead Projectors: The overhead projector (OHP) is simple to operate and the most versatile visual aid for the teachers to use in classroom. Using the overhead projector, transparent materials are projected so that a group can see. The OHP has now replaced the traditional chalkboard as the most commonly used visual aid in many schools, colleges and training establishment.

Vichitrejpaisal et al., (2008) Computer-Assisted Instruction: Computer assisted instruction is a form of self-instruction in which material can be presented via text, visual, sound, and motion digital files, providing a multimedia approach to learning. Computer can facilitate interaction during the learning process on multiple levels like interaction of student / user with the content and learning material, contents can be updated regularly, encourages greater learning inputs in the areas of subject’s interest.

Wanjala, Elizabethe. K and Mukwa (2011) found that few teachers are using ICTs to manage the classroom and to integrate technology into several of the content areas. Professional development options were varied. They pointed out the most teachers use trial and error, learn through course work taken at colleges or universities, and support others or receive personal or expert support as significant methods of learning how to use Information Communication Technologies.

O’Dwyer (2008) use of Power Point: It was found that in engineering courses, students valued PowerPoint both as a means of better understanding the material, and for the medium’s structural and organizational advantages. Students recognized that PowerPoint conveyed substantially less of the lecture material, in comparison with lectures using the chalkboard. However, students favored PowerPoint slides and expressed a preference for their being available online; requesting that paper copies of PowerPoint presentations be distributed at each of the classroom lectures.

Singh (2005) use of Chalkboards: The chalkboard or the blackboard is the commonest visual aid utilized by the teacher. Chalkboards are widely used in all sectors of education and training, and are most suitable for displaying notes and diagrams during a lesson and for working calculations or similar exercises in front of the class.

CONCEPT OF STUDY

The process of teaching - learning depends upon the different type of equipment available in the classroom. Teaching aids are those materials that help the teachers explain better knowledge and help the students understand. It is like the picture of the lesson. Teaching aids can be as basic as a blackboard or whiteboard. Audio and visual equipment, such as DVD players and video projectors, are commonly used as tools for learning with a very effective output. Students tend to get more involved when learning if teaching aids are implemented into the curriculum.
TYPES OF TEACHING AIDS

Visual Aids: The aids, which use sense of vision, are called Visual aids. For example: actual objects, models, pictures, charts, maps, flash cards, flannel board, bulletin board, chalkboard, overhead projector, slides etc. Out of these black board and chalk are the commonest ones.

Audio Aids: The aids that involve the sense of hearing are called Audio aids. For example: radio, tape recorder, voice recorder, gramophone etc.

Audio-Visual Aids: The aids, which involve the sense of vision as well as hearing, are called Audio-Visual aids. For example: television, film projector, film strips etc.

Chalk Boards: A blackboard (also known as a chalkboard) is a reusable writing surface on which text or drawings are made with sticks of calcium sulfate or calcium carbonate, known, when used for this purpose, as chalk. Using black board (chalkboard) for teaching in colleges is necessary for interactive understanding. Though the technology has gone up with high visual interactive boards taking the place of chalkboards, the teaching with chalkboard is still irreplaceable. A blackboard (also known as a marker board) is a reusable writing surface on which text or drawings are made with any glossy, usually white surface for nonpermanent markings. Whiteboards are analogous to black boards, but with a smoother surface allowing rapid marking and erasing of markings on their surface. The popularity of whiteboards increased rapidly in the mid-1990s and they have become a fixture in many offices, meeting rooms, school classrooms, and other work environments and mainly in schools, college classrooms and in college staff rooms.

White Boards: A whiteboard (also known by the terms marker board, dry-erase board, wipe board, dry-wipe board, pen-board) is any glossy, usually white surface for nonpermanent markings. Whiteboards are analogous to black boards, but with a smoother surface allowing rapid marking and erasing of markings on their surface. The popularity of whiteboards increased rapidly in the mid-1990s and they have become a fixture in many offices, meeting rooms, school classrooms, and other work environments and mainly in schools, college classrooms and in college staff rooms.

Power Point (Projectors): PowerPoint is a presentation program developed by Microsoft. It is included in the standard Office suite along with Microsoft Word and Excel. The software allows users to create anything from basic slide shows to complex presentations. PowerPoint is often used to create business presentations, but can also be used for educational or informal purposes. The presentations are comprised of slides, which may contain text, images, and other media, such as audio clips and movies.

Computers: Everyone should have at least the basic knowledge of using computers. Storing documents on computers in the form of soft copies instead of hard ones helps save paper. Access to the internet, play an important role in education. The Internet is an ocean of information and surfing daily will increase the knowledge of these students greatly. Computers facilitate audio-visual representation of information, thus making the process of learning interactive and interesting. Due to the visual aid, difficult subjects can be explained in better ways. Things become easier to follow; it even presents effective presentation of information.

PRINCIPLES TO BE FOLLOWED FOR THE EFFECTIVE USE OF TEACHING AIDS

- Audiovisual materials should function as an integral part of the educational program.
- An advisory committee consisting of representative from all areas of curriculum should be appointed to assist in selection and coordination of materials.
- An education program should be flexible.
- Audiovisual material should be carefully located to eliminate duplication, easy accessibility and convenient use.
- Budget appropriations should be made regularly for audiovisual education programs.
- Periodic evaluation to be done to assess the function, utilization and expenditure of the program.

ANALYSIS AND INTERPRETATION OF DATA

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making. The mathematical and statistical tools were used to test the hypothesis framed and other relevant information viz; Descriptive analysis, Percentage analysis and Chi-square Tests.

Table 1: Showing Number of Respondents based on Colleges

<table>
<thead>
<tr>
<th>Colleges</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.R.B.C.C Hindu</td>
<td>41</td>
<td>13.0</td>
<td>13.0</td>
<td>13.0</td>
</tr>
<tr>
<td>Loyola</td>
<td>61</td>
<td>19.4</td>
<td>19.4</td>
<td>32.4</td>
</tr>
<tr>
<td>M.G.R. Janaki</td>
<td>53</td>
<td>16.8</td>
<td>16.8</td>
<td>49.2</td>
</tr>
<tr>
<td>M.O.P. Vaishnava</td>
<td>69</td>
<td>21.9</td>
<td>21.9</td>
<td>71.1</td>
</tr>
<tr>
<td>Patrician</td>
<td>47</td>
<td>14.9</td>
<td>14.9</td>
<td>86.0</td>
</tr>
<tr>
<td>Stella Maris</td>
<td>44</td>
<td>14.0</td>
<td>14.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>315</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>Minimum</td>
<td>Maximum</td>
<td>Mean</td>
<td>Std. Deviation</td>
</tr>
<tr>
<td>315</td>
<td>1</td>
<td>6</td>
<td>3.48</td>
<td>1.601</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
**Interpretation:** From the above table it is inferred that, from 41 respondents data has been collected in D.R.B.C.C. College with the percentage of 13 and 61 respondents data has been collected from the Loyola college with the percentage of 19.4 and 53 respondents is collected from M.G.R. Janaki college with the percentage of 16.8 and from M.O.P Vaishnav college 69 responses has been collected with the percentage of 21.9 and 47 responses from patrician with the percentage of 14.9 and 44 respondents from Stella Maris college the total number of respondents under college category gathered a mean value of 3.58 with the standard deviation of 1.601.

**Table-2: Showing Number of Respondents based on Present Status in Using Black Board**

<table>
<thead>
<tr>
<th>Present Status of Black Board Usage</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>33</td>
<td>10.5</td>
<td>10.5</td>
<td>10.5</td>
</tr>
<tr>
<td>A</td>
<td>126</td>
<td>40.0</td>
<td>40.0</td>
<td>50.5</td>
</tr>
<tr>
<td>SA</td>
<td>156</td>
<td>49.5</td>
<td>49.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>315</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Present status of teaching aid 1</td>
<td>315</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N Minimum</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>4.39</td>
<td></td>
<td></td>
<td>0.670</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Interpretation:** From the above table it has found that, 126 respondents have agreed that they are above partial listeners through the teaching aid of blackboard usage with the percentage of 40 and 156 respondents have strongly agreed that black board is used as a main teaching aid with the percentage of 49.5 and the total number of respondents under the present status of black board usage listeners come under the mean value of 4.39 with the standard deviation of 0.670.

**Table-3: Showing Number of Respondents based on Present Status in Using White Board**

<table>
<thead>
<tr>
<th>Present Status of White Board Usage</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDA</td>
<td>22</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>DA</td>
<td>38</td>
<td>12.1</td>
<td>12.1</td>
<td>19.0</td>
</tr>
<tr>
<td>N</td>
<td>114</td>
<td>36.2</td>
<td>36.2</td>
<td>55.2</td>
</tr>
<tr>
<td>A</td>
<td>106</td>
<td>33.7</td>
<td>33.7</td>
<td>88.9</td>
</tr>
<tr>
<td>Sa</td>
<td>35</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>315</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>N Minimum</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>3.30</td>
<td></td>
<td></td>
<td>1.047</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Interpretation:** From the above table it has found that, 22 respondents have strongly disagreed that they aren’t listening through the usage of white board, 114 respondents have neutrally accepted that they are listening through the help of the white board teaching aid and 106 respondents have agreed that they are above partial listeners through the teaching aid of white board usage.

**Table-4: Showing Number of Respondents based on Using Power Point Projectors**

<table>
<thead>
<tr>
<th>Present Status of PowerPoint Projectors</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>102</td>
<td>32.3</td>
<td>32.3</td>
<td>32.3</td>
</tr>
<tr>
<td>Sa</td>
<td>213</td>
<td>67.6</td>
<td>67.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>315</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>N Minimum</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>4.68</td>
<td></td>
<td></td>
<td>0.469</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Interpretation:** From the above table it has found that, 102 respondents have agreed that they are above partial listeners through the teaching aid of power point projectors usage and 213 respondents have strongly agreed that power point is used as a main teaching aid with the percentage of 67.6 and the total number of respondents under the present status of power point usage listeners come under the mean value of 4.68 with the standard deviation of 0.469.
Table-5: Showing Number of Respondents based on Using Digital Audio/Voice Recorder

<table>
<thead>
<tr>
<th>Present Status in Using Digital Audio / Voice Recorder</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDA</td>
<td>27</td>
<td>8.6</td>
<td>8.6</td>
<td>8.6</td>
</tr>
<tr>
<td>DA</td>
<td>62</td>
<td>19.7</td>
<td>19.7</td>
<td>28.3</td>
</tr>
<tr>
<td>N</td>
<td>130</td>
<td>41.3</td>
<td>41.3</td>
<td>69.5</td>
</tr>
<tr>
<td>A</td>
<td>95</td>
<td>30.2</td>
<td>30.2</td>
<td>99.7</td>
</tr>
<tr>
<td>SA</td>
<td>1</td>
<td>.3</td>
<td>.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>315</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>315</td>
<td>1</td>
<td>5</td>
<td>2.94</td>
<td>.924</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: From the above table it was clear that 130 respondents have neutrally accepted that they are listening through the help of the audio reorder teaching aid, 95 respondents have agreed that they are above partial listeners through the teaching aid of audio recorder usage and 1 respondents have strongly agreed that audio recorder is used as a main teaching aid.

Table-6: Showing Number of Respondents based on Present Status in Using Computer

<table>
<thead>
<tr>
<th>Computers</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>DA</td>
<td>7</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>N</td>
<td>91</td>
<td>28.9</td>
<td>28.9</td>
<td>31.1</td>
</tr>
<tr>
<td>A</td>
<td>141</td>
<td>44.8</td>
<td>44.8</td>
<td>75.9</td>
</tr>
<tr>
<td>SA</td>
<td>76</td>
<td>24.1</td>
<td>24.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>315</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>315</td>
<td>2</td>
<td>5</td>
<td>3.91</td>
<td>.783</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: From the above table it has found that 141 respondents have agreed that they are above partial benefitters through the teaching aid of computer and 76 respondents have strongly agreed that the computers is used as a main teaching aid.

II. Chi-Square Tests

Table-7 showing the analysis on flexibility level of students with clarity and understanding on digital audio/voice recorder.

Ho: There is no a significance relationship between the flexible level and the clarity wise understanding capacity of the students on audio/voice recorder usage.

Ha: There is a significance relationship between the flexible level and the clarity wise understanding capacity of the students on audio/voice recorder usage.

Table-7: CROSSTAB

<table>
<thead>
<tr>
<th>Clarity and understanding</th>
<th>Flexibility-5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SDA</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>DA</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>N</td>
<td>28</td>
<td>44</td>
</tr>
<tr>
<td>A</td>
<td>11</td>
<td>30</td>
</tr>
<tr>
<td>SA</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>106</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Table-8: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>d.f.</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>8.478(a)</td>
<td>8</td>
<td>.388</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>8.339</td>
<td>8</td>
<td>.401</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.647</td>
<td>1</td>
<td>.199</td>
</tr>
</tbody>
</table>

N of Valid Cases 315

Note: 1 cells (6.7%) have expected count less than 5. The minimum expected count is 2.44.

Sources: Authors Compilation

Interpretation: From the above table it has been inferred that the calculated value 0.388 is greater than the significance level 0.05; hence, the null hypothesis (Ho) is accepted. Therefore, there is no a significance relationship between the flexible level and the clarity wise understanding capacity of the students on audio/voice recorder usage.

Table-9 showing the analysis on flexibility level and the conceptual thinking level of students with digital audio/voice recorder.

Ho: There is no a significance relationship between the flexible level and the conceptual thinking capacity of the students on audio/voice recorder usage.

Ha: There is a significance relationship between the flexible level and the conceptual thinking capacity of the students on audio/voice recorder usage.

Table-9: CROSSTAB

<table>
<thead>
<tr>
<th>Conceptual Thinking</th>
<th>Total</th>
<th>Flexibility-5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SDA</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>DA</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>N</td>
<td>17</td>
<td>44</td>
</tr>
<tr>
<td>A</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Sa</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>106</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-10: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>d.f.</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>12.246(a)</td>
<td>8</td>
<td>.141</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>12.121</td>
<td>8</td>
<td>.146</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>3.812</td>
<td>1</td>
<td>.051</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>315</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: 2 cells (13.3%) have expected count less than 5. The minimum expected count is 3.66.

Sources: Authors Compilation

Interpretation: From the above table it has been inferred that the significance value 0.141 is greater than the significance level 0.05; hence, the null hypothesis (Ho) is accepted. Therefore, there is no a significance relationship between the flexible level and the conceptual thinking capacity of the students on audio/voice recorder usage.

Table-11 showing the analysis on technology and the clarity wise understanding of students on power point projector.

Ho: There is no a significance relationship between the technology and the clarity wise understanding of the students on power point projector.

Ha: There is a significance relationship between the technology and the clarity wise understanding of the students on power point projector.
Table-11: CROSSTAB

<table>
<thead>
<tr>
<th>Technology-factor 1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDA</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-12: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>d.f.</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>23.887</td>
<td>12</td>
<td>.021</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>21.781</td>
<td>12</td>
<td>.040</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.056</td>
<td>1</td>
<td>.812</td>
</tr>
</tbody>
</table>

N of Valid Cases: 315

Note: a 7 cells (35.0%) have expected count less than 5. The minimum expected count is .04

Sources: Authors Compilation

Interpretation: From the above table it has been inferred that the significance value 0.21 is lesser than the significance level 0.05; hence, the null hypothesis (Ho) is accepted. Therefore, there is a significance relationship between the technology and the use of power point for clarity wise understanding for students. Reason says that visualization plays a major role in observing the learning environment, which is tend to be attractive.

Table-13 Showing the Analysis with Technology and the Impact on Concentration of Students on Power Point Projector.

Ho: There is no a significance relationship between the technology and the impact on concentration of the students through power point projector.

Ha: There is a significance relationship between the technology and the impact on concentration of the students through power point projector.

Table-13: CROSSTAB

<table>
<thead>
<tr>
<th>Technology-factor 1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDA</td>
</tr>
<tr>
<td>Concentration</td>
<td>4</td>
</tr>
<tr>
<td>A</td>
<td>6</td>
</tr>
<tr>
<td>SA</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-14: Chi-square Test

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>d.f.</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>16.656</td>
<td>8</td>
<td>.034</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>16.198</td>
<td>8</td>
<td>.040</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.377</td>
<td>1</td>
<td>.539</td>
</tr>
</tbody>
</table>

N of Valid Cases: 315

Note: a 1 cells (6.7%) have expected count less than 5. The minimum expected count is 2.18.

Sources: Authors Compilation

Interpretation: From the above table it has been inferred that the significance value 0.034 is lesser than the significance level 0.05, hence the null hypothesis (Ho) is rejected. Therefore, there is a significance relationship between the technology and the use of power point for making the students concentrate through technological and visual teaching aids.
FINDINGS OF STUDY

- Most of the respondents are under the age of 17-20 years.
- The education qualifications of the respondent are present under graduates (67.3%).
- The present status in using black board for teaching has been strongly agreed and highly usage category is with the value of 49.5%.
- 67.6% of the respondent strongly agreed that using power point projectors for teaching is more effective.
- There are 44.8% of the respondent agreed that in present status using computer as a teaching aid gives more understandings about the concept of the topic.
- Majority of the respondent agreed that using black board always have good understanding.
- The Chi-square test reveals that there is no significance relationship between the flexible level and the clarity wise understanding capacity of the students on audio/voice recorder usage.
- It was observed that in chi square test there is no significance relationship between the flexible level and the conceptual thinking capacity of the students on audio/voice recorder usage.
- From the analysis, it was found that there is a significance relationship between the technology and the use of power point for clarity wise understanding for students.
- From the chi square test, it was inferred that there is a significance relationship between the technology and the impact on concentration of the students through power point projector.

SUGGESTIONS

- Students feel flexible when the understanding of a topic is taught through use of any visual teaching aids.
- The teaching aids that have been choice for a particular subject should match the objective of teaching aid for which it has been chosen.
- For five hours continuously, teaching only through one particular aid will lead to passive learning. Therefore, combination of black board writing, stressing key points, and then explaining verbally will lead to effective teaching and learning.
- It will not be feeling flexible when the understanding of a concept is taught through the audio/voice recorder leads to confusion.
- Active learning can be present only in the visual teaching aids when compared with audios. So students do not feel flexible when the active learning concept is brought in audio/voice recorder.
- Students are more interested in learning only when it is an interactive, and more practical.

CONCLUSION

Teaching Aids are very useful for the teaching process, they are facilitators for making an explanation of a topic that may involve difficult term into an easy understanding. Besides, teaching aids are great tools to catch the audience attention, and help them to be involved into the learning process without problem. They help to present the material in an attractive way, so that is more meaningful for everyone to process the subject. There are cases in which teachers used them to substitute their teaching. However, the right adoption of teaching aid for the particular type should be preferred properly. Only then, the outcome of teaching aid will be useful and effective.

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TIME MANAGEMENT: A REALISTIC APPROACH

N. Sakila

ABSTRACT

Realistic time management and organization plans can improve productivity and the quality of life. However, these skills can be difficult to develop and maintain. The key elements of time management are goals, organization, delegation, and relaxation. The author addresses each of these components and provides suggestions for successful time management. This guide is appropriate for use by human resources staff to support performance management policy making and design, by line-of-business managers to understand and execute their role in guiding their team members as they set their goals, and by individual employees as they write strong stretch goals that will help move the business forward.

KEYWORDS

Time Management, Radiology Administration, Organization etc.

INTRODUCTION

We have all been there: busy with our jobs and taking care of our families, we have to-do lists a mile long. If we are lucky, when we stumble into bed at night, we might have crossed off a handful of tasks. We have trouble sleeping as we think about all of the things we failed to do. For some reason, in the middle of the night, the size of these tasks is exaggerated. When we get up the next day, we are sleep deprived and racked with guilt, ready to begin yet another day of being behind. This vicious cycle goes on day after day, month after month, year after year. In this age of 24/7 connectivity, if we take a “vacation,” we continue to do work, and if we do not, we feel guilty. The fatigue, disorganization, and sense of loss of control usually lead to reduced productivity and quality of our efforts, both professional and personal.

The stress and anxiety take up valuable time and energy. Anxiety eats brainpower. How do we break this cycle? Learning to manage our time, instead of allowing time to manage us, is the key. There are many time management and organization books and other resources. Unfortunately, many make the reader feel guilty, because it is difficult to complete all of the suggested tasks. Morgenstern stressed that you must take small steps and do things that feel comfortable to you. If you feel guilty and try to adhere to someone else’s style, you are likely to become frustrated. If you find something that works for you, you will feel good about whatever you are able to accomplish and forge ahead. For example, most authors stress the need for filing. This is great if you 1) have a simple filing scheme and 2) have someone to do the filing for you. Otherwise, filing is a time-consuming task that is difficult to maintain over time. From Morgenstern, I learned that my method of “organized piles” is perfectly acceptable as long as I can find items easily. Instead of feeling like a filing failure, I feel successful in my maintenance of orderly heaps.

THE BASICS OF TIME MANAGEMENT

The key steps for successful time management are as follows:

- Set Realistic Goals,
- Get Organized,
- Delegate,
- Relax and Recharge, and
- Stop Feeling Guilty.

There are two major time management stumbling blocks: procrastination and perfectionism. When we put off tasks (usually distasteful tasks), we often increase our anxiety level, further delaying our work on the task. If we insist on being perfect in every task, we minimize the chance that we will actually complete the task. In fact, perfect is the enemy of good. If 80% of the effort produces 95% of the product, does it really make sense to reach for that final 5%? Will anyone notice? Will it affect the outcome?

1. Goals

The development of goals is critical for personal success. Covey described this as a process to “organize and execute around priorities.” Everyone has both immediate and long-term goals. In many cases, the very short-term goals or tasks supersede long-
term goals to the point that individuals may never achieve their lifetime goals. To determine if you have fallen into this trap, write down your top 3 to 5 lifetime goals. Next, list 10 things you plan to accomplish in the next week. Compare these lists is there anything on your to-do list that relates to your lifetime goals? In the example here, many of the small tasks might ultimately lead to becoming the head of a radiology practice.

However, this individual is unlikely to ever get an MBA, learn to play the saxophone, or get to Fiji. For many of us, the lack of correlation of the lists goes on for weeks, months, even years. It is important to work toward your lifetime goals in addition to accomplishing your immediate tasks. This means you must elevate your lifetime goals to higher priorities. Obviously, you cannot ignore many of your weekly activities, but if you do not perceive that you are not working toward your lifetime goals, you will never accomplish them.

The Importance of Goal Development to the Organization

The organization that makes it a priority to develop quality, effective goals will succeed in its performance management, in its business in general, and in developing its employees’ skills and confidence.

Why Are Great Goals More Important than Ever to Business?

Goal setting, given high priority and approached consistently throughout the organization, is the mechanism by which the business delivers results against its strategy. Improved shareholder value, greater profitability, and increased revenue, inspired innovation—none of these can be realized without an organized process that deconstructs strategies and cascades relevant and measurable elements of those strategies appropriately through the workforce.

Quality, effective goals offer significant benefits to the organization.

Great Goals

- Add a needed measure of organizational discipline that keeps everyone at every level focused on the same destination.
- Allow accurate forecasting of resource needs, foster the efficient use of those resources, and avoid costly stops, starts, and changes in direction.
- Keep the organization competitive in both the business marketplace and the employee marketplace.

The Levels of Cascading Goals

Goals address every aspect of organizational endeavor. Business units set goals related to increasing their impact on the marketplace and becoming better at what they do, whether that be through sales, impressions, clicks, cost control, productivity, or other measures. Functions also seek improvement through goals that may address such factors as efficiency, expanding capability, and higher service scores. Team goals carve out each team’s expected contributions to the larger business unit and functional goals. Finally, individual goals further refine the work, making the all-important connection between the individual and the organization. The goal cascade demonstrates to individual employees what role they play in achieving the company’s business goals.

II. Organization

There are 2 basic components to organization: organizing stuff and organizing time. Both are necessary for success in accomplishing your goals. Disorganization and clutter add to stress. We waste time looking for important information, often failing to find it. We spend too much time repeating tasks, such as reading e-mail. We feel overwhelmed by the number of tasks to complete, and ultimately, we spend too much time worrying about uncompleted tasks. It becomes difficult to distinguish between important and insignificant tasks. How do you organize stuff? Throw out items - papers, e-mails, files, and so on that you do not need. Organize and file (have someone else do the filing whenever possible) so that you can find important items in the future. Unfortunately, organization and filing is an ongoing process, not just a one-time event. That is why it is so important to find an easy system that can be managed in the future. If it is too complicated, you will not keep at it.

We are all swamped with mail, most of it electronic. It is critically important to learn to manage your mail and e-mail. Strive to handle both once. The 4 D’s for all types of mail are do now, dump, delegate, and delay. Most e-mail can be read and handled immediately by a brief response, forwarding to an appropriate individual, or deletion. Only a minority of items should be delayed. Make a file for mail or messages that you cannot decide how to handle. Review this file periodically. You will find that the majority of this mail never needed action at all. Most of it was unimportant and was taken care of by someone else.
If you mistakenly put an important e-mail in your delay file, it will be sent again. Ideally, you were able to recognize the truly important mail when you originally opened it and took care of it immediately. A problem with doing e-mail on a device such as a Blackberry is that one may find it difficult to deal with long messages and attachments. Thus, the item is opened, closed, and forgotten. The same problem may occur with the use of a laptop. If you have this problem, try to identify messages with attachments or ones that will require concentration, and wait to open them on your laptop or desktop computer. One of the key components of organization is the management of your calendar. Many of us let our schedules manage us.

This is necessary to some degree. For example, if your calendar says you are assigned to the reading room, you must be there. However, if you can learn to manage your schedule to some degree, you will ultimately accomplish more with less anxiety. The first step is to develop a to-do list. It does not matter whether the list is paper or electronic; chose what works best for you. The most important thing is to list everything you need to do and prioritize each item. Be realistic about what you can accomplish within the next day, week, or month. If you overscheduled yourself, you will be disappointed when you cannot accomplish every task. Review your to-do list regularly, daily if possible, and revise as necessary.

When you make your list, make time for planning and prioritizing. Schedule time the first thing each morning or the last thing in the evening to plan for the next day or week. It is important to do this daily or weekly because your priorities will change over time. Determine your most effective mental time and schedule this time to work on important projects. For example, if you are a “morning person,” do not waste this peak brain time to do e-mail. Instead, use it to work on an important project. Save the e-mail for times when your brain is not maximally efficient. However, do not do e-mail right before bedtime; an unpleasant message can destroy your sleep for the night. Break large, important projects into manageable segments. Some people find it helpful to get away from their desks or workstations where they may be distracted by e-mail, phone calls, or cases.

However, staying at your desk has the advantages of ready access to your reference materials, files, and so on. Covey also stressed the determination of urgency and importance in attacking tasks on your to-do list. Decide what is important and what is not. It is also important to decide if a task is urgent or not urgent. Urgent, important tasks should be at the top of your priority list. Unfortunately, we often consume a great deal of time with “easy” activities, which are frequently of low importance.

Time management and organization are not the same as multitasking. Multitasking is widely practiced but is not necessarily a good thing. For example, think of the last time you talked on your cell phone as you drove home. How much of the trip do you remember? It is likely that you remember the phone call more than the driving. Although this may make your trip more enjoyable, it makes it less safe, because your attention is not fully on the road. One definition of multitasking is “doing two things at once by because your attention is not fully on the road. One definition of multitasking is “doing two things at once by

III. Delegation

Before doing a task, ask yourself, “Why me?” Delegate whenever reasonable and possible. The downside of delegating is that you must still check to be sure the task is done, and sometimes it takes longer to tell someone else how to do a task than to do it yourself. Get over the guilt of delegating: think of it as a leadership-building opportunity for others in your practice. Others can handle many tasks effectively (or even more effectively). Do not use your time to do something that someone else can do more easily or better.

IV. Relaxation

In the current environment of overachievement, over scheduling, and overstimulation, we tend to underestimate the need for mental downtime, relaxation, vacation, and time with friends and family. I often hear criticism that “generation Xers” is too interested in personal time, friends, and families. Those of us who are baby boomers and older should examine whether our work ethic (or “overwork ethic”) is actually better. Obviously, it is necessary to balance work and relaxation, but what is the cost of overemphasizing the work component of our lives? The balance between work and personal time is delicate but should not be ignored. When we take the time to relax with family and friends, pursue outside interests, and truly “get away,” we recharge and find renewed strength to tackle all of the important tasks.

V. Ditch Guilt

Etta Pisano published an excellent paper on time management. She stressed that one of the most important (yet most difficult to accomplish) elements is getting rid of guilt. The guilt may involve things that you are not done at home or the office. Many of us are, for some reason, hardwired to feel guilty about all sorts of ridiculous things. However, guilt just leads to stress and anxiety, which lead to more stress and anxiety. Nothing good comes from an unreasonable sense of guilt. In fact, worrying just makes a task take longer and makes it less pleasant to accomplish. I have learned the hard way not to waste time worrying about a daunting project: just does it! Stress and feeling of loss of control can lead to anxiety and depression. When you are anxious or depressed, it
is even more difficult to manage your time, complete immediate tasks, and accomplish your lifetime goals. If you or those around you find this affecting you, do not hesitate to get professional help.

SUMMARY

The implementation of realistic time management plans can improve productivity and the quality of life. Accept the fact that you are not Superman or Superwoman. Find time to relax, including time to do absolutely nothing. Stop feeling guilty. The result of having adequate “downtime” is a brain that works better during both professional and personal time.

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FINANCIAL LITERACY: AWARENESS LEVEL AMONG YOUTH AND YOUNG ADULTS IN CHENNAI CITY

K. Ramu*

INTRODUCTION

"The rich invest in time, the poor invest in money." Warren Buffet

Financial literacy has become an important issue of discussion in the end due to the upliftment of knowledge and need of financial aspects among the young’s. It is the mix of one's knowledge, skill, and attitude towards financial matter. The need for financial literacy and its importance have been recognized by all possible stakeholders - policymakers, bankers, practitioners, researchers and academics – across the globe. Many of the institutions have come up with new approaches and delivery mechanisms to strengthen financial literacy programs at grass root level. For instance, programs have been customized to suit the requirements of household investors, various participants from lower level, microfinance clients, slum dwellers, bank clients etc. Some programs have a particular focus such as a specific financial product, developing saving habit among target group, customer protection, business management, and so on, while others are more general and deal with money management skills, advocating healthy financial practices such as saving and budgeting habits etc.

While a lot of experimentation has been done in the realm of financial literacy, it is difficult to look for one consistent method or approach that works best in all scenarios with common motive. The literacy level is also affected by various decision making process, poor knowledge of financial concepts which could be lead to lack of well retirement plans, lack of participation in the stock markets, less utilization of various banking services. Several steps have been undertaken to boost saving habit among young people and financial security both by government and central bank. The initiative has been bringing into education from school literacy level where importance of banking and circulation of money should be well taught to young’s.

IMPORTANCE OF FINANCIAL LITERACY

It would be a high time to understand basic financial literacy as most of the economy around the world are crippling due to lack of financial literacy among participants. Money is the blood for an economy which should be handle in a more significantly manner. Social security is a major issue after retirement, which could be, brings down only through financial management. The financial environment is shifting faster than and it cannot easily anticipated as earlier, Bull markets, bear markets, rising interest rates, falling interest rates and the increased number of finance-related articles with conflicting views in the press can make creating and following a financial path difficult. There are large numbers of options available in the market but choosing the best one is a herculean task for an individual investors, hundreds of credit card options, several types of mortgages, different types of IRAs, and the ever-growing number of investment options bring down a good decisions. A lot of firm offering the same services at various price and discounts and it is hard to accept their truthiness.

REVIEW OF LITERATURE

Sandra J. Huston (2010) studied implementation of financial education programs which lead to enhancement of financial literacy. It also helps in solving various financial problems. Tracking of variation and change in financial literacy rates is of interest to educators, policymakers, employers and researchers. A more reliable way to measure financial literacy is needed to be identifying which is also a barrier to financial well-being.

Sulfi P. (2016) studied that new financial inclusion programs as a new initiative from the part of government for promoting financial literacy. The emphasis should be on financial awareness programmes, education, training and counselling on importance of finance to public.

Anjali Devi (2016) studied the financial literacy level among the women in rural and urban who are both working and not working. A comparison was made on financial literacy level among the working and non-working women. The financial literacy level of working women is on satisfactory level. The level is far lower for rural women compared to urban women. Working women is financial literate than non-working women.

Willis (2008) studied that women's of this generation have ability to independently access credit and other financial instruments, and can reach higher level of education and professional achievement. It can be viewed as surmounting a discriminatory financial barrier, the plethora of available credit products require at a minimum basic understanding of finance areas or aspects.

*Research Scholar, Department of Commerce, D. B. Jain College, Tamil Nadu, India, ramukashi11@gmail.com
OBJECTIVES OF STUDY

- To know the personal profile of the respondents.
- To identify the underlying dominant dimensions of financial literacy variables.
- To study the significance of differences between Gender groups, Marital status groups in total financial literacy.
- To study the significance of differences among Income groups in the total financial literacy.

RESEARCH METHODOLOGY

The researcher collected the primary data with the help of well-structured questionnaire from 100 young and young adults using random sampling method. The financial literacy variables were measured using 5-point scale of 5,4,3,2 and 1 from Excellent, Very good, Averages, Bad and Worst response respectively. The Cronbach’s Alpha reliability co-efficient was used to test the scale and value for the same is 0.902 indicating more consistent and highly reliable scale.

The Questionnaire has two sections:

Section I: Deals with personal profiles of the respondent such as their Gender group, marital status, Age, Discipline of study and Monthly income.

Section II: Deals with 20 variables of basic financial literacy.

Statistical Techniques Used

The data collected were subjected to percentage analysis, descriptive statistics, Independent T-test, and ANOVA using SPSS version 22.

ANALYSIS AND INTERPRETATION

Table-1: Personal Profile

<table>
<thead>
<tr>
<th>PROFILE GROUP</th>
<th>MALE GROUPS</th>
<th>FEMALE GROUPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male 61(61%)</td>
<td>Female 39(39%)</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Married 59(59%)</td>
<td>Single 41(41%)</td>
</tr>
<tr>
<td>Discipline</td>
<td>Commerce 67(67%)</td>
<td>Science 15(15%)</td>
</tr>
<tr>
<td>Monthly Income</td>
<td>Below Rs.10,00 50(50%)</td>
<td>Rs.10,00 to Rs.50,00 43(43%)</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table shows that majority of respondents are male, and married, studying/studied commerce and belonging to families earning less than Rs.10,000 per month.

Table-2: Descriptive Statistics of Age Group of the Respondent

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Values</th>
<th>Statistics</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>34</td>
<td>Mode</td>
<td>25</td>
</tr>
<tr>
<td>Median</td>
<td>33</td>
<td>Range</td>
<td>32</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>10.054</td>
<td>Minimum</td>
<td>18</td>
</tr>
<tr>
<td>Skewness</td>
<td>0.23</td>
<td>Maximum</td>
<td>40</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.426</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The table shows that the mean value of 34 is a robust measure, as the std. deviation is on lower side, Median and Mode values 33 and 25.
THE FINANCIAL LITERACY OF THE RESPONDENT

The financial literacy has been measured using 20 variables, which are as follows:

Table-3

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Savings Bank Account</td>
</tr>
<tr>
<td>2</td>
<td>Simple Interest Rate calculation</td>
</tr>
<tr>
<td>3</td>
<td>Compound Interest Rate Calculation</td>
</tr>
<tr>
<td>4</td>
<td>Interest Rate on Loan</td>
</tr>
<tr>
<td>5</td>
<td>Procedure of Obtaining loan</td>
</tr>
<tr>
<td>6</td>
<td>Purpose of Savings Account</td>
</tr>
<tr>
<td>7</td>
<td>Purpose of Current Account</td>
</tr>
<tr>
<td>8</td>
<td>Purpose of Fixed Deposits</td>
</tr>
<tr>
<td>9</td>
<td>Purpose of Recurring Deposit Account</td>
</tr>
<tr>
<td>10</td>
<td>Purpose of Post office deposits</td>
</tr>
<tr>
<td>11</td>
<td>Value of investing in Yellow metals(Gold, Silver &amp; Diamonds)</td>
</tr>
<tr>
<td>12</td>
<td>Real Estate Investment is highly profitable</td>
</tr>
<tr>
<td>13</td>
<td>Usage of Credit Card</td>
</tr>
<tr>
<td>14</td>
<td>Usage of Debit Card</td>
</tr>
<tr>
<td>15</td>
<td>Usage of Net Banking</td>
</tr>
<tr>
<td>16</td>
<td>Usage of Mobile Banking</td>
</tr>
<tr>
<td>17</td>
<td>Operation of RBI</td>
</tr>
<tr>
<td>18</td>
<td>Operation of SEBI</td>
</tr>
<tr>
<td>19</td>
<td>Operation of Mutual Fund</td>
</tr>
<tr>
<td>20</td>
<td>Operation of Insurance Company</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The total financial literacy of the respondents has been measured and the descriptive statistics are given in table.

Table-4: Descriptive Statistics of Financial Literacy

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Values</th>
<th>Statistics</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>76.64</td>
<td>Mode</td>
<td>83</td>
</tr>
<tr>
<td>Median</td>
<td>78.00</td>
<td>Range</td>
<td>42</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>8.683</td>
<td>Minimum</td>
<td>48</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.025</td>
<td>Maximum</td>
<td>90</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.912</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The table shows that out of total score of 100 (20X5), the mean value of 76.64 is a robust measure, as the std. deviation is on lower side, Median and Mode values 78 and 83.

Table-5: Factorization of Financial Literacy Variables (FL)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Variables</th>
<th>Factor Loading</th>
<th>MSA</th>
<th>Communalities</th>
<th>Mean</th>
<th>S.D</th>
<th>Factor Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Value of investing in Yellow metal</td>
<td>0.798</td>
<td>0.628</td>
<td>0.695</td>
<td>3.64</td>
<td>0.882</td>
<td>Capital Spending Factor</td>
</tr>
<tr>
<td>2</td>
<td>Purpose of FD</td>
<td>0.747</td>
<td>0.821</td>
<td>0.754</td>
<td>4.08</td>
<td>0.748</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Simple interest</td>
<td>0.635</td>
<td>0.766</td>
<td>0.685</td>
<td>3.68</td>
<td>0.634</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Compound interest</td>
<td>0.591</td>
<td>0.622</td>
<td>0.563</td>
<td>3.49</td>
<td>0.659</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Saving Bank Account</td>
<td>0.454</td>
<td>0.765</td>
<td>0.679</td>
<td>4.27</td>
<td>0.851</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Usage of Net Banking</td>
<td>0.832</td>
<td>0.680</td>
<td>0.781</td>
<td>4.3</td>
<td>0.905</td>
<td>Morden Banking Factor</td>
</tr>
<tr>
<td>7</td>
<td>Usage of Mobile Banking</td>
<td>0.82</td>
<td>0.489</td>
<td>0.346</td>
<td>4.21</td>
<td>0.769</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Usage of Debit Card</td>
<td>0.629</td>
<td><strong>0.874</strong></td>
<td>0.700</td>
<td>4.44</td>
<td>0.656</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Purpose of Saving Account</td>
<td>0.578</td>
<td>0.626</td>
<td>0.794</td>
<td>4.26</td>
<td>0.705</td>
<td></td>
</tr>
</tbody>
</table>
Table 6: Significance of Difference between Profile Groups in Total Financial Literacy

<table>
<thead>
<tr>
<th>Factor</th>
<th>Groups</th>
<th>Mean</th>
<th>S.D</th>
<th>t–Value</th>
<th>d.f.</th>
<th>P-Value</th>
<th>Inference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Financial Literacy</td>
<td>Male</td>
<td>78.910</td>
<td>9.194</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>73.077</td>
<td>6.450</td>
<td>3.458</td>
<td>98</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>76.129</td>
<td>8.54973</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unmarried</td>
<td>77.000</td>
<td>9.45714</td>
<td>-.456</td>
<td>93</td>
<td>0.650</td>
<td>Not Significant</td>
</tr>
<tr>
<td></td>
<td>Young</td>
<td>76.980</td>
<td>8.165</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Young Adult</td>
<td>76.300</td>
<td>9.243</td>
<td>0.390</td>
<td>98</td>
<td>0.697</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 6 reveals that there is a significant difference between gender groups in total financial literacy. Male are significantly more financially literate than females. Marital status groups and discipline of study groups have no significance difference in total financial literacy.

Table 7: ANOVA

Difference among Income Groups in Total Financial Literacy

<table>
<thead>
<tr>
<th>Groups</th>
<th>F-Value</th>
<th>P-Value</th>
<th>Inference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Rs.10K</td>
<td>72.600</td>
<td>(9.017)</td>
<td></td>
</tr>
<tr>
<td>Rs.10K to Rs.50K</td>
<td>80.000</td>
<td>(6.294)</td>
<td></td>
</tr>
<tr>
<td>Above Rs.50K</td>
<td>84.857</td>
<td>(2.672)</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Note: *Values within bracket refer Std. deviation

The table shows that there are significant differences among income groups in total financial literacy, as the P-value is less than 0.005. Moreover, the Duncan Multiple test shows that the groups of monthly family income of (Rs.10,000 to Rs.50,000) and (Above Rs.50,000) from a sub group and that sub group differs significantly from income group earning below Rs.10,000 in total financial literacy.
FINDINGS

- Sizable number of respondent are male who are married and studied commerce discipline and earning a family monthly income of less than Rs.10,000 per month.
- The average age of the respondent is 34 years.
- Six independent factors determined out of 20 financial literacy variables are Capital Spending Factor followed by Morden Banking Factor, Wealth Enhancement Factor, Preserving Activity Factor, Credit Assistance Factor, and Institutional Support Factor. Capital spending factor is the most dominant one.
- Male have significantly higher financial literacy compare to females.
- High income group have significant higher financial literacy than low income group as respondent with family monthly income of (Rs.10,000 to Rs.50,000) and (Above Rs.50,000) form a sub group and significantly differ with income group of (Below Rs.10,000).

CONCLUSION

It is high time for government as well as bank and financial institution to uplift financial literacy among women as they equally participating in development of nation. More and more campaign should be conducted to bring out the importance of various institutions, which regulates money and finance in economy, low income group have less access to all amenities offered by banks due to lack in financial literacy so effort need to made to educate those downtrodden groups on importance of saving and making investment.

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TALENT MANAGEMENT: 
NEED OF THE HOUR FOR INFORMATION TECHNOLOGY INDUSTRY IN INDIA

Usman Mohideen K. S.47 Dr. S. Subramaniam48

ABSTRACT

Human capital is most critical element of an organization. Globalization has given workforce a great opportunity to employ them in the organization of their choice. No industry can make a right royal assumption that the employee recruited will stick on to the organization forever. The real success lies not with recruiting talented minds but with retaining them. More companies are turning to their human capital to provide them with the competitive edge that will not only sustain their business but also improve their bottom line.

With the recognition of the importance of human capital, businesses are focusing on talent management to add value to their organization. Talent management does not have one face, so various organizations implement it with their unique strategy. This paper gives overview about attrition rate in Indian IT industry, Talent Management practices in select Indian IT companies and literature review of Talent Management.

KEYWORDS
Time Management, Radiology Administration, Organization etc.

TALENT

McKinsey says that a talent is the total package of person’s competences, while the Economist stated that nowadays the whole workforce of the company is seen as Talent (Beechler & Woodward, 2009) According to Stahl et.al (2007), Talent refers “to those that rank in the top in terms of competencies and achievements and contributes the most to the competitive advantage of the firm”

TALENT MANAGEMENT

Talent Management refers to the process of developing and integrating new workers, developing and keeping current workers and attracting highly skilled workers to work for a company. In short, it is the systematic attraction, identification, development, engagement, deployment and retention of talents.

The term Talent Management is coined by David Watkins and Introduced by McKinsey Consultants in 1990.

PURPOSE OF TALENT MANAGEMENT

There is a huge shift in Human Resource since last decade. The reason behind the changes is associated to global mobility of employees. Talented employees who are not identified, nurtured and developed will invariably leave the organization. Therefore, it is essential for the concern to frame an appropriate plan to attract, deploy and retain talent minds. Indian IT industry is facing a tremendous challenge in retaining employees.

80% of the leaders believe that talent pool is inadequate and 60% of employees want to switch job market. To ensure the right supply of talented workforce is ready to realize the strategic goals of an organization and to retain talented employees.

RETENTION

According to Hausknect (2009), Employee Retention is defined as “the policies and practices companies use to prevent valuable employees from leaving their jobs”. Retention of key employee is critical for the long-term success of an organization as it has ensures satisfied workforce along with talented minds. Organization need to map up strategies for retention employees in the organization for long time. Organizations are facing lot problems in employee retention nowadays.
ROLE OF INFORMATION TECHNOLOGY INDUSTRY IN INDIA

The Indian Information Technology Industry has the credit of fastest growing sectors in the country. It has been achieving new milestones over the decade. The growth of this sector is attributed to liberalization policy in telecommunication industry. The Share of IT Industry in India’s GDP increased steeply from 2005.

IT industry can be broadly classified into three main sectors, viz., Software, IT services and IT Enabled Services (BPO). The Market size Indian IT industry (including Hardware) was estimated to have revenue of 108 billion USD. The country’s cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the United States, continues to be its unique selling proposition (USP) in the global sourcing market. The sector ranks fourth in India’s total foreign direct investment (FDI) share and accounts for approximately 37 per cent of total private equity (PE) and venture investments in the country.

Globalization of world economies has greatly enhanced the values of information to organization and to workforce. As workforce demographics changes, the average employee tenure shrinks. Thus, the competition for recruiting and retaining the best candidate for the position is fierce. The following table depicts the employee strength for the fiscal year 2014 for top four IT companies in India.

Table-1: Showing Employee Strength in select IT Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Employee Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCS</td>
<td>3,00,464</td>
</tr>
<tr>
<td>CTS</td>
<td>2,11,500</td>
</tr>
<tr>
<td>Infosys</td>
<td>1,13,794</td>
</tr>
<tr>
<td>WIPRO</td>
<td>1,54,297</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

As the above figure suggests that this sector continues to be, a massive employment generated. The growth of Indian IT Industry is caused by followed factors:

- India is having large number of qualified workforce,
- The cost of workforce is comparatively low,
- India has a vast pool of English Speaking IT professionals.

ATTRITION RATE IN IT INDUSTRY

Table-2: Depicts the Attrition Data for past 10 years for Selected Companies

<table>
<thead>
<tr>
<th></th>
<th>TCS</th>
<th>CTS</th>
<th>INFOSYS</th>
<th>WIPRO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>9.90</td>
<td>15.7</td>
<td>11.2</td>
<td>14.6</td>
</tr>
<tr>
<td>2006-07</td>
<td>11.3</td>
<td>15.0</td>
<td>13.7</td>
<td>17.4</td>
</tr>
<tr>
<td>2007-08</td>
<td>12.6</td>
<td>15.0</td>
<td>13.4</td>
<td>16.8</td>
</tr>
<tr>
<td>2008-09</td>
<td>11.4</td>
<td>11.2</td>
<td>11.1</td>
<td>13.2</td>
</tr>
<tr>
<td>2009-10</td>
<td>11.8</td>
<td>18.0</td>
<td>13.4</td>
<td>13.6</td>
</tr>
<tr>
<td>2010-11</td>
<td>14.4</td>
<td>13.0</td>
<td>17.0</td>
<td>24.1</td>
</tr>
<tr>
<td>2011-12</td>
<td>12.2</td>
<td>10.1</td>
<td>14.7</td>
<td>19.5</td>
</tr>
<tr>
<td>2012-13</td>
<td>11.2</td>
<td>10.0</td>
<td>15.0</td>
<td>12.9</td>
</tr>
<tr>
<td>2013-14</td>
<td>10.9</td>
<td>14.5</td>
<td>18.0</td>
<td>16.3</td>
</tr>
<tr>
<td>2014-15</td>
<td>14.9</td>
<td>18.1</td>
<td>13.4</td>
<td>17.0</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

TALENT MANAGEMENT IN TOP 3 IT COMPANIES

INFOSYS

High performing companies like Infosys pays more attention to Talent Management. One such practice is Employee Engagement, which is a part of the talent management process. The process includes following:

- Create a formal employment brand and communicate it to employees.
Create a good brand image for company in external environment. (e.g., awards as best place to work or best place for leaders)
Tap good talent locally.
Allow employees the opportunity to be heard informally via social media channels and formally via grievance redressing programs.
Employee Selection: Leverage high potential or high value talent to recruit and select new hire candidates.
Use like talent to recruit like-talent (e.g., technical talent to recruit technical talent).
Training and Development: train managers and leaders on principles of employee engagement.
Teach new managers and supervisors the fundamental concepts of talent management.
Provide meaningful and customizable career paths for employees that allow for a sense of purpose and direction in the organization and provide an element of challenge to employees’

TCS

Talent Management team know the skills and competencies of all their employees so that they can make more informed decisions in recruiting, deploying and retaining employees. To build a talent pool,

TCS changed its hiring strategy and started focusing on JIT hiring or real time management.
TCS has started a programme called Academic Interface Programme.
TCS also has various kinds of training programmes like Learning and Development, Initial Learning Programme, Continuous Learning Programme, Leadership Development Programme, Foreign Language Initiative, Workplace Learning and Ignite.
Compensation Management System at TCS is based on the economic value added EVA model.
TCS conducts appraisal twice in a year, also at the end of the project in case of employees hired for specific project.
To maintain database, company developed Resume Information Extractor (RINX)
TCS now has an updated knowledge base of employee competencies, allowing managers to quickly and correctly identify candidates best suited for specific position, projects or tasks.

CTS

SMAC STACK

Using Social Media: Leveraging social tools can move organizations ahead of their peers in winning the competition for the best global talent.

The Cloud: The cloud also offers many opportunities for transforming talent acquisition. Cloud based delivery of software applications, for example, can help companies consolidate disparate talent management system. Cloud based apps that incorporate social tools and can be accessed via mobile devices can help. Many companies are seeking assistance around building the right job competencies, understanding their job profiles and leveraging social, mobile and analytics to identify and attract the right candidates.

Analytics

Forecast workforce requirements: Predictive analytics provide deep insight into the business’s recruitment needs - who is needed, where they are needed, when they are needed

Conduct root cause analysis of attrition: The recruitment function can use data modeling to analyze and understand the factors contributing to employee attrition and then proactively to build mitigating factors into competency profiles for new roles.

Target available talent supplies: Organizations can use qualitative and quantitative information to build a detailed map of the supply of talent in a particular locale, in order to better visualize talent pool availability and employability; talent pool size and fresh graduate supply; skill pool by industry; and trends and forecasted reports for future supply expectations.

Define candidate success profiles: Using predictive modeling, employers can match the right candidate to the right job by identifying the traits that distinguish high performers. Potential candidates can be matched against a list of predictors of performance generated from current employee data. Success profiles can also include predictors of the candidate’s likelihood of accepting a job offer.
RESEARCH OBJECTIVE

- To understand how Talent Management Practices is adopted in selected Companies.

LIMITATIONS

- The number of samples involved in research may not be adequate.
- The study may lack generalization.

Certain factors has been left out that might have significant impact on talent management and employee retention.

SCOPE OF STUDY

For the purpose of the study, top IT companies situated in Chennai which practice Talent Management Strategies are considered viz, TCS, Wipro, Infosys and CTS were selected for the study. This helps to identify critical factors and their role in effective talent management through literature review. The primary reason for the research is people are the critical assets of the company, so it is essential to invest them, but it should make sure that the supporting elements provide the maximum support.

SIGNIFICANCE OF STUDY

The outcome of this study will provide better understanding of Talent Management Strategies in IT companies in Chennai City and how these strategies can improve the level of Employee Retention. Successful handling of Talent Management for Employee Retention leads to attaining competitive advantage. The recommendations will help the organization to implement better Talent Management Practices and so to retain talented minds. The study will benefit various parties like Human Resource Executive in IT Companies, Academicians and Researchers in different way.

REVIEW OF LITERATURE

Hodges Detunecq (2013), the article discusses integrated talent management (ITM), which seeks to attain employee capabilities that increase business performance, with focus on performance management, learning and development, succession management, engagement and retention, workforce planning, and talent acquisition.

Oltra Victor (2013), empirical results emphasize the distinction between individual–group and institutional levels of learning as the two pillars of Organizational Learning. The results also highlight the role of team autonomy and creativity as crucial factors for successful OL through team-based TM, especially for interlinking individual and group learning levels.

Rana Geeta (2013), the purpose of this paper is to examine the talent retention practices in Bharat Heavy Electricals Limited (BHEL), a Navratna PSE of the Government of India. Effective talent management practices help the Indian public sectors in general to retain their best talent. At BHEL, talent management practices are focused on competencies, knowledge, learning and increased broad group engineering and technology transference.

Usha Tiwari (2013), this paper studies the strategies and practices of talent management and their impact on employee retention and effectiveness of its execution at AREVA T&D India Ltd. To conclude we can state that workforce planning and talent acquisition practices in Areva T&D are effectively executed, they attract right kind of personnel and use suitable recruitment methods.

Anne Lueneburger (2012), this study explores how coaching effectiveness is enhanced by focusing on and managing of the relative frequency of individual job tasks and how it contributes to deepening the leadership bench in organization. Research suggests that in order to motivate and retain an organization best people, the key is to understand their strengths and maximize their opportunities to apply these strengths. Talent ability should be customizing their role and career path intervention in order to effectively support talent retention.

Hassan Darvish (2012), this research aimed to study the relationship between talent management competencies and intention to quit. The analysis of results demonstrated that the level of talent management competencies is desirable and has a significant inverse relationship with intention to quit the organization in the studies population. With using talent management competencies, organizations could decrease the intention to quit the organization in its employees and reduce many of the harmful results and costs.

Maya, M. (2012), the study attempts to explore the factors that improves rate of talent retention in the organization. The results states that employee’s stay when there is good relation, fair treatment, supervisory motivation and good work life balance have
strong relation with talent management. Then comes the factors such as development opportunities, career ladder, talent identification, and job challenges and security encourage employee’s intention to stay in the current organization.

Sajjad Waheed (2012), this paper proposes and discusses a four-stage model that covers probable research aspect of the Talent Management and the subsequent Career Planning. Talent management and Career planning are to be seen as complement of one another.

Yalcin Vural (2012), the paper focus on how talent management affects the employee commitment. The results revealed that talent management integrated human resources procedures and performance systems have positive impact on employee commitment.

Maitri Shah (2011), this paper focuses on how creating an employer brand in the minds of employees can help in talent management. The study concluded that not only there is a need of creating satisfaction in minds of employees but also there is an urgent need of creating this positivism in the minds of external environment. The created image has to be monitored and sustained in such a way so that if will help in increasing profits as well as would create belongingness, pride, self-actualization and true commitment. Companies who do not invest in developing an effective employer brand in the minds of the employees, in the long run, be less financially successful than those who do.

Cindy Wang (2011), this paper explores the connection between talent development and knowledge-sharing mechanisms. The findings confirm that incorporating a knowledge-sharing socialization mechanism with talent development programs has a nurturing and supporting effect on learning and development.

Pallavi Srivastava (2010), this paper addresses the concerns associated with the talent acquisition and how employer brand can overcome some of them. The empirical results are initial steps towards the development of a scale for measuring employer brand in a later stage. This also focus on development of the unique employee value proposition based on the person need fit of talent.

Salopek (2009), this paper says that talent pool was down to about 30 people when the training and development organization became involved. Now directed by performance and potential, the training and development team targets a pool of 5% to 10% of associate's with highly focused career development plans, cross-functional training sessions, simulations and action learning, mentoring, coaching, and follow-up in a seven-week 'Leadership Challenge’ program that enjoys exceptional executive involvement and support.

Neeti Leekha (2008), from the study it is identified that, in addition to various other strategies, talent management and employer branding contribute to retention and acquisition of the desired workforce.

Bhatnagar (2007), the purpose of the paper is to investigate talent management and its relationship to levels of employee engagement using a mixed method research design. In analysis, factor loadings indicated three distinct factors of organizational culture, career planning along with incentives and organizational support. The first two were indicative of high attrition.

Tequia Burt (2005), this article says leaders need to start paying more than just lip service to the practice of cultivating leadership from within. Having a leadership development plan in place allows senior management to have a clear picture of the kind of leaders organizations need to meet specific goals.

**RESEARCH METHODOLOGY**

- **Research Design:** The study is Analytical in nature.
- **Data Collection:** Secondary data through websites, journals and magazines.
- **Sampling design:** Samples will be selected from IT companies in Chennai City using Purposive sampling.

**CONCLUSION**

Talent Management is the systematic identification, attraction, deployment, development and retention of talents. Talented employees who are not valued will leave the organization. Retention of talent minds is critical in organization success. Indian IT industry is no exception to this. Top IT companies can retain their top position only if they retain performing employees as attrition causes heavy cost to organization.

The study investigates how talent management strategy is used in IT companies and seeks a relationship between talent management and retention of employees. The various factors involved in Talent Management are identified through reviews of previous studies.
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MONETARY POLICIES AND THE INDIAN STOCK MARKET

R. Jeyalakshmi49 Dr. K. Maran50

STOCK MARKET AND MONETARY POLICIES

Several monetary policy measures, the important amongst which are changes in CRR, repo and reverse repo rate, which directly influence the money supply in the market with immediate effect without creating any distortions in the economy, are affecting the stock market. That is the reason, they are perceived to be the most appropriate by the monetary authorities in forming trend in the stock market. Hence, the efforts are made in this paper to make the econometric study of impact of changes in CRR, repo rate and reverse repo rate adopted by the monetary authorities in forming trends in the stock market. CRR, SLR, Repo rate and reverse repo rate are the key policy rates which stipulate the interest rate in the economy. All these policy rates have a direct impact on the lending rate, which is now benchmarked to the base rate replacing the erstwhile BPLR. To understand the impact of the policy rates on the stock market prices, let us look into all these rates at a glance. CRR is the percentage of cash deposits, which banks maintain with RBI on an everyday basis. Increase in CRR will result in increase in interest rate loans. At the close of business every day, every bank is required to maintain a minimum proportion of its net demand and time liabilities as liquid assets in the form of cash, gold, and unencumbered approved securities. The ratio of liquid assets to demand and time liabilities is known as Statutory Liquidity Ratio (SLR). Repo rate is the short-term interest rate at which the RBI lends money to banks. When the repo rate increases, the interest rates on loans also moves up, as bank has to fund these loans at a higher cost Reverse Repo Rate is the rate at which RBI borrows fund from banks. It has similar impact on the interest rates on loan. Now since the RBI has narrowed down the spread between repo and reverse repo by 25 basis points and has announced that it will double the frequency of reviewing the monetary policy, the short-term volatility in overnight rates will be reduced. This will bring stability in financial market. All these rates collectively affect the stock market liquidity, which in turn influences the stock market price & returns.

REPO RATE AND REVERSE REPO RATE

The central bank has the power to lower the repo rates while expanding the money supply in the country. This enables the banks to exchange their government security holdings for cash. In contrast, when the central bank decides to reduce the money supply, it implements a rise in the repo rates. Reverse repo rate Reverse repo rate is the rate at which banks park their short-term excess liquidity with the RBI. The RBI uses this tool when it feels there is too much money floating in the banking system. An increase in the reverse repo rate means that the RBI will borrow money from the banks at a higher rate of interest. As a result, banks would prefer to keep their money with the RBI. The reverse repo rate or reverse repurchase rate is applicable when a country's reserve borrows money from banks. If reverse repo rate rises, it means that banks will provide more funds to the reserve. This is a safe proposition as lending money to most reserves is an extremely safe financial transaction. In cases of reserves borrowing money from banks, excess money left with the particular bank is channeled into the reserve. This causes money to be taken out of the economic system. Reverse repo rates come into play when there is a fund shortage being faced by the reserve. The central bank manages short-term shortfalls and surpluses in the banking system through its liquidity adjustment facility (LAF), whereby it borrows and lends money at fixed rates under the repo and reverses repo facilities. Since the RBI technically has an unlimited capacity to lend and borrow money, the repo and reverse repo rates act as a ceiling and a floor for the interest rates. By reducing the reverse repo rate, the RBI has made it less attractive for banks to park money in the LAF window. So, banks would be forced to lend to corporate. Reducing the reverse repo rate will inject liquidity in the economy through corporate lending. Thus, the repo rate signifies the rate at which RBI injects liquidity in the banking system, whereas the reverse repo rate signifies the rate at which the central bank absorbs liquidity from the banks.

NEED FOR STUDY

Monetary policies are tools to regulate the banks’ lending rate through which the RBI can control inflation. It is evident from many research results that the changes in inflation directly affect the stock market. Monetary policies such as repo rate, CRR and reverse repo rate play an imperative role in affecting the lending rate and which in turns affect the investment. The changes in the interest rate affect the liability of the company. This affects the EPS, which in turn affects the share prices. Though there are many research based on this topic, the results of these various studies have no consensus. Hence, this study is aimed at helping the investors to predict the trend of the stock market with the changes in monetary policies.

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REVIEW OF LITERATURE

Chien-Hsiulin 2011 reported that foreign exchange exposure became more significant or greater during the 1997 Asian crisis and the 2008 global crisis periods, despite the frequent central banks' interventions during these periods. The greater exchange exposure during the crisis periods can be attributable to net exporters or firms with dollar assets, implying that firms can reduce exchange exposures by decreasing their export ratio or dollar assets holding during times of crisis.

Pethe, A. Karnik 2000 studied the impact of Exchange rate of rupee vis-a-vis the dollar, prime lending rate, narrow money supply, broad money supply, and index of industrial production on stock market return. The econometric analysis uses state-of-the-art techniques such as unit root testing, co-integration and error-correction models. The analysis and discussion are situated in the context of macro-economic changes, especially in the financial sector, that have been taking place in India since the early nineties.

T. Mallikarjunappa and Afsal 2007 studied the volatility of India’s stock index futures market taking into EGARCH and T-GARCH models, provides the evidence of high persistence of time varying volatility, and its asymmetric effects. The results indicate that the trading volume growth of nearby-month index futures is the most influential factor for volatility in the futures market in India. Therefore, the investors are advised to predict volatility in the cash market by observing the futures volume growth as well as volatility in the index futures since volatility in the cash market is a measure of market risk.

Stefano 2004 designed a model for each country and the effects of monetary policy shocks are evaluated by means of impulse responses. A contractionary shock has a negative and temporary effect on stock market indices. There is evidence of a significant cross-country heterogeneity in the persistence, magnitude and timing of the responses.

Rudra and Indranil 2006 studied whether reverse repo rate and cash reserve ratio announcements hold any informational content for the stock market that may lead to changes in the stock price and to test the impact of reverse repo rate and cash reserve ratio on the share price of Indian banking stocks.

Agrawal 2007 empirically examines the dynamics between the volatility of stock returns and movement of Rupee-Dollar exchange rates, in terms of the extent of interdependency and causality. Application of Jarque-Bera test yielded statistics that affirmed non-normal distribution of both the variables and the coefficient of correlation between the two variables was computed, which indicated slight negative correlation between them.

OBJECTIVES OF STUDY

Primary Objective

- To analyze the impact of monetary policies on stock prices volatility.

Secondary Objectives

- To analyze the impact of CRR, repo rate, reverse repo rate on stock price volatility.
- To find the variable with more severity on stock price return.
- To find the relationship between the variables CRR, repo rate and reverse repo rate.

DATA AND METHODOLOGY

There are three approaches to evaluate the degree of financial integration namely quantity based measures, price based measures and institutional and regulatory based measures. This study uses price based daily closing stock market indices of India (CNX Nifty) and the monthly repo rate, CRR, SLR and Reverse repo rate.

The daily closing of CNX Nifty obtained from the websites of national stock exchange of India and the RBI monthly report from RBI website were used in this study. The study used ten-year data ranging from January 2005 to December 2015.

The period between 2005 and 2015 saw so much of economic fluctuations; hence, it is taken for this study to make the results more meaningful. The study used correlation and regression analysis to find out the relationship between the variables.
ANALYSIS AND INTERPRETATION

Table 1: Correlation between CNX Nifty and Repo Rate

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation</th>
<th>Nifty</th>
<th>Repo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td>244</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>49</td>
</tr>
<tr>
<td>Nifty</td>
<td></td>
<td>.304*</td>
<td>.034</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repo</td>
<td></td>
<td>.304*</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.034</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>49</td>
<td>49</td>
</tr>
</tbody>
</table>

Note: * Correlation is significant at the 0.05 level (2-tailed).

Sources: Authors Compilation

From the above table, the value $r = 0.304$ given under the column R is multiple correlation coefficient. The value $r = 0.304$, ($r < 0.5$) indicates no correlation between the two variable.

Table 2: Correlation between CNX Nifty and CRR

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation</th>
<th>Nifty</th>
<th>CRR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>Nifty</td>
<td></td>
<td>.52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.783</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>42</td>
<td>42</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table, the value $r = -0.52$ given under the column R is multiple correlation coefficient. The value $r = -0.52$, ($r < 0.5$) indicates strong negative correlation between the two variable. Hence, the increase in CRR will have a decrease in the stock return.

Table 3: Correlation between CNX Nifty and Reverse Repo Rate

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation</th>
<th>Nifty</th>
<th>Revrepo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td>244</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>Nifty</td>
<td></td>
<td>.044</td>
<td>.044</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.783</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>42</td>
<td>42</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table, the value $r = 0.044$ given under the column R is multiple correlation coefficient. The value $r = 0.044$, ($r < 0.5$) indicates no correlation between the two variable.

Regression

Table 4: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.747*</td>
<td>.558</td>
<td>.292</td>
<td>1318.41485</td>
</tr>
</tbody>
</table>

Note: * Predictors: (Constant), Revrepo, CRR, Repo

Sources: Authors Compilation
The first table under regression gives the model summary. The correlation value, \( r = 0.707 \) indicates a strong positive correlation between the variables under study.

The ANOVA table gives the results on ANOVA, since the P-value given under significance column is > 0.01 this tells that the variance in CRR, repo rate and reverse rate (3 independent variables or predictor variables) contribute significantly to the change in Nifty (dependent variable).

The third table in regression gives the coefficients; these values are needed to formulate regression equation. The value under column B against constant is the “a” value (Y-intercept) in the regression equation and the values against the CRR (-1321.888), repo rate (6500.318), reverse repo rate (-5939.237) define the slope of regression lines and are the values of b1, b2 and b3 in the multiple regression equation.

\[ Y = a + b_1X_1j + b_2X_2j + b_3X_3j \]

Where,
- \( Y \rightarrow \) CNX Nifty index.
- \( b_1 \rightarrow \) Cash Reserve Ratio.
- \( b_2 \rightarrow \) Repo rate.
- \( b_3 \rightarrow \) Reverse repo rate.

The above equation explains clearly that cash reserve ratio and reverse repo rate inversely affect the share price whereas the repo rate affect the share price directly.

**CONCLUSION**

The stock market, which shows volatility, is affected by many macroeconomic and microeconomic as well as political and other factors. The monetary policies, which are the vital macroeconomic factors, also affect the stock market. CRR and Reverse repo rate affect the stock market in the inverse proportion whereas the repo rate affects it in the positive proportion.

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BIG DATA AND KNOWLEDGE MANAGEMENT: CONCEPTUAL SIGNIFICANCE

V. Nagavalli 51 Dr. A. Geetha 52

ABSTRACT

Organizations are investigating ways to competently and effectually pull together and handle the data, information and knowledge they are showing to various internal and external sources in the networked society. In this study, we enlighten industry on how to handle the various organizational scientific possibilities and determining the obstacles of big data, knowledge management and analytics.

Knowledge management has both recognized data and information, which establishes the conceptual foundation of big data as an additional valuable knowledge asset, which can begin to make knowledge management as a tool to data assets. We can bring big data and business analytics into the knowledge management fold. The concept of data mining has come forth to overcome these disadvantages, which implement knowledge extraction algorithms from the large data collections. Data mining is a process of collecting knowledge from databases or data warehouses and the information collected that had never been known before, it is valid and operational.

The problems are often required with numerous complex calculations and jointly working with individuals to attain various choices about their geographic locations. The grand challenge problems involve the analysis of very large volumes of data. Knowledge Discovery Database (KDD) is a well-established field of computer, which is concerned, with automated search of large volumes of data for patterns that can be considered knowledge about the data. Organizations need to understand how to move from big data to smart data, and more importantly, how to obtain demonstrable value from these important initiatives.

Knowledge management (KM) is such an area that needs to be further studied and put to use for it is full to burst which is to be acquired. The study seeks to examine and elaborate the linkage between data mining and knowledge discovery database process to dig out the important relationships and flows of activities.

KEYWORDS

Knowledge Management, Data, Information, Big Data, Knowledge Discovery Database etc.

INTRODUCTION

The amount of knowledge in the entire world and inside organizations already reached tremendous dimensions and is constantly increasing. In order to handle it, Big Data approaches and algorithms needs to be introduced. Without a strong management of knowledge and deployment of Big Data, the business cannot evolve in the current competitive environment and will slowly vanish. The paper is presenting the importance of Knowledge Management and Big Data. The traditional data has become big data, information has become open data, and knowledge is not only from a small and specific group of people. Everyone should be included in knowledge development nowadays.

BIG DATA

Big data is not only a phenomenon of numbers and texts but also fairly a new concept. Big data have been made which exactly is a digital information from a variety of sources like social media accounts, web pages, purchases in stores, video and picture downloading, customer feedback, health records, maps, protocols and geographic locations in applications etc., Big data refers to “tools, processes, and procedures that allow an organization to create, manipulate, and manage very large data sets and storage facilities”.

Big data as a cultural, technological and scholarly phenomenon is based on three assumptions:

- First, maximizing computation power and solving accuracy to gather, analyze, link and compare large data sets.
- Second, drawing on large data sets to recognize patterns in order to make economic, social, technical and legal claims
- Third, the belief in an extensive area of large datasets, which offers a higher form of intelligence, and knowledge, which can create in-sights that, were previously impossible.

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CHARACTERISTICS OF BIG DATA

Figure-1

Big data has been defined as early as 2001 by the analyst Doug Laney (2001), who introduced the model of Three V’s. Laney called them the three dimensions in data management: data volume, data velocity and data variety. On Big data, the Three V’s and the Four V’s are found again, which commonly describes the characteristics of big data.

**Volume:** Volume describes the size of the data, which is a principal feature of big data nowadays. Large volume of data simply refers to the large amount of data created every second. The quantity of data that is generated is very important in this context. It is the size of the data, which determines the value, and potential of the data under consideration and whether it can actually be considered as Big Data or not.

**Variety:** The second V stand for variety, indicating the various types of such as structured, unstructured and semi-unstructured data and the different means to apply data. This helps to closely analyze the data and is associated with it.

**Velocity:** Velocity refers to data being actively brought together and improved in real time. The term velocity refers to speed of generation of data or how fast the data is generated and processed to meet the demands and the challenges that are in the path of growth and development.

**Value:** A fourth V; veracity which refers how exactly and reliable the data and analytics are. The quality of the data captured can vary greatly. Accuracy of analysis depends on the value of the source of data.

**STRUCTURES OF DATA**

Data are available in different structures, such as structured data, e.g. transactional data and unstructured data, e.g. customer comments on social media and similar forums. Big data is to a large range available in un-structured data. Because of its size, Big data suggest how difficult to use, and the data available is not in a particular formats. The (most) common way to divide data is in structured and unstructured data

**Structured Data:** “Structured data generally refers to data that has a defined length and format”, such as data including numbers and dates, which is often stored in traditional databases. Structured data is the easiest data to work with.

**Unstructured Data:** Unstructured data, such as documents, videos and e-mails, on the other hand does not follow a specific format. Because the lack of technological solutions, it have not been possible to do much with the data, other than storing it or examining it manually. Data need to be structured to allow us to work and use the information within data resources. Without structured data, otherwise useful information is useless.

**Semi–structured Data:** Semi–structured data has a position between structured and unstructured. Most of the data collected, stored, created and managed by organizations are more or less unstructured, making it more difficult to both manages it and perform in it.

**DATA MINING**

The concept of big data exists in data mining. The concept of finding useful patterns in data is called data mining. The term data mining refers loosely to the process of semi automatically discovering large database to find useful patterns. Data mining converts raw data into meaningful data. It is useful in finding patterns in data, which are further used to extract patterns in new sets of data. The main aim of data mining is to estimate automated data analysis and finding future outcomes based on past results.

Data mining attempts to learn about rules and patterns from data. However, data mining differs from machine learning and collected information in that deals with large volumes of data, stored primarily on storage device.
Data mining is a constituent of data warehousing, but it can also be a favour of one side process for data analysis, even in the absence of a data warehouse. Data mining is the task of discovering interesting patterns from large amounts of data where the data can be stored in databases, data warehouses or other information warehouses.

**DATA MINING APPLICATIONS**

- **Data mining used in Healthcare**: For accomplishment of healthcare knowledge, mining is handled. It is essential for the healthcare to appear how knowledge can be greater trapped, planned, stored and mined. In medical care, knowledge Mining is useful for the diagnosis and treatment of diseases and to spot the relationship that develops among many diseases.

- **Data mining is used for marketing analysis**: When a customer wants to purchase some goods, then the data mining approach provide help to determine relations among a range of products, which the buyer put within their buying cart or baskets. The retailers use the data mining techniques to distinguish the clients buying pattern. In this manner that approach is used for profits of the company and help to recognize the buying Behaviour.

- **The data mining in the education system**: In the subject of knowledge, data mining is amazingly used and is a climbing field. Students are enrolled across the country with a big number of larger knowledge aspirants. Knowledge mining technology will help linking understanding gap in larger educational systems.

- **Usage of Data Mining in different areas of manufacturing engineering**: When knowledge is gathered from production system, it is used for various applications like to get the mistakes in the info or solution, to enhance the look strategy, to help make the high-quality solution.

- **In language research and language engineering**: Often a linguistic data will become necessary about a text. A linguistic profile that contains many linguistic characteristics could be created from text record immediately applying information mining. That approach found very successful for support and acknowledgment.

![Figure 2](image-url)
BUSINESS ANALYSIS FRAMEWORK

To design an effective data warehouse one need to know and examine business needs and construct a business analysis framework. The construction of a large and complex information system can be viewed as the construction of a large and complex building, a data warehouse must be consider of four different views:

- **Top-Down Views**: It allows the selection of the relevant information necessary for the data warehouse.
- **Data Source View**: It reveals the information stored, and managed by operational. Data sources are often modelled by traditional data modelling techniques.
- **Data Warehouse View**: It includes fact tables and dimension tables. It presents the information that is stored inside the data warehouse, including recalculated totals and counts.

THREE-LEVEL ARCHITECTURE OF DATA WAREHOUSE

**Figure-3**

Skills Required to Build a Data Warehouse

Building and using a data warehouse is complex task, as it requires following skills:

- **Business Skill**: It involves understanding how such systems store and managing their data and business requirements. It also helps to translates data from operational systems to data warehouse.
- **Technical Skill**: This skill provides ability to discover patterns and trends. It also helps to logical managerial recommendations based on such analysis.
- **Program Management Skill**: This involves the need to interface with many technologies, vendors, and end users in order to deliver results in a timely and cost effective manner.

Process of Data Warehouse Design

Data warehouse can be built using following three approaches:

- **Top-down Approach**: It starts with planning and when it is used, technology is very well known and business problems are very clear and well understood.
• **Bottom-up Approach:** It starts with experiments, which is very useful in early stages of business modelling and technology development, which is less expensive.

• **Combined Approach:** It uses planned and strategic nature of top-down approach and rapid implementation of bottom-up approach.

**KNOWLEDGE MANAGEMENT**

Knowledge Management is a subject that is increasingly being discussed in corporate boardrooms as organizations have identified this as one of the most challenging initiatives in corporate future. Knowledge management is an organizational process for converting information into knowledge and making that knowledge accessible to everyone in the organization. With knowledge being a major driving force behind the economics of ideas the independent areas of growth are expected which emphasis on knowledge creation, development, and organization and on leveraging continues to be a prime focus for a long time.

**KNOWLEDGE DISCOVERY IN DATA BASES**

Knowledge Discovery in Databases is the process of searching for hidden knowledge in the massive amounts of data that are technically capable of generating and storing. Data, in its raw form, is simply a collection of elements, from which little knowledge is needed. Data mining and KDD are often used together harmoniously though there are some differences between them. Data mining deals with "knowledge discovery in database." Some types of knowledge discovered from a database can be represented by a set of rules. It is the process of discovering interesting patterns or knowledge from a large amount of data stored in database, data warehouses, or other information repositories.

The development of Information Technology has generated large amount of databases and huge data in different areas. The research in databases and information technology has given rise to an approach to store and manipulate this precious data for further decision making. The common synonym for Decision making techniques is knowledge data Discovery (KDD). It was pretended with reference to the general concept of being broad and high level in the detection of in search of knowledge from data. This term (KDD) applies to all activities and processes related with discovering useful knowledge from collective data.

**KDD PROCESS**

The KDD process involves using the database along with any required selection, pre-processing, sub sampling, and transformations of it; applying data-mining methods to enumerate patterns from it; and evaluating the products of data mining is to identify the subset of the enumerated patterns in deemed knowledge. The KDD process is interactive and involves numerous steps with many decisions made by the user. Here, we broadly outline some of its basic steps:

**Sources:** Authors Compilation

**First** is developing an understanding of the application and the relevant prior knowledge and identifying the goal of the KDD process from the customer’s viewpoint.

**Second** is creating a target data set: selecting a data set, or focusing on a subset of variables or data samples, on which discovery is to be performed.
Third is data cleaning and pre-processing. Basic operations include removing noise if appropriate, collecting the necessary information to model or account for noise, deciding on strategies for handling missing data fields, and accounting for time-sequence information and known changes.

Fourth is data reduction and projection: finding useful features to represent the data depending on the goal of the task. With reduction or transformation methods, the effective number of variables under consideration can be reduced, or invariant representations for the data can be found.

Fifth is matching the goals of the KDD process (step 1) to a particular data-mining method.

Sixth is exploratory analysis and model and hypothesis selection: Choosing the dataminning algorithm and selecting method to be used for searching the data patterns. This process includes deciding which models and parameters might be appropriate and matches a particular data-mining method with the overall criteria of the KDD process.

Seventh is data mining: Searching for patterns of interest in a particular representational form. The user can significantly aid the data-mining method by correctly performing the preceding steps.

Eighth is interpreting mined patterns, possibly returning to any of steps 1 through 7 for further iteration. This step can also involve visualization of the extracted patterns and models of the data given the extracted models.

Ninth is acting on the discovered knowledge: using the knowledge directly, incorporating the knowledge into another system for further action, or simply documenting it and reporting it to interested parties. This process also includes checking for and resolving potential conflicts with previously believed knowledge.

**SOME COMMON DEFECTS IN DATA SETS**

A defect is nothing but an error in data. Defects can occur in any type of data and at any time. Therefore, it is necessary that more and more work be undertaken on them so that cleaner data sets are available for future work. Some common types of defects that are present in these data sets are listed below:

- **Missing Values**: The attributes for which at least one instance value is not present are known as attributes with missing values.
- **Identical Values**: If two or more attributes have the same value for all instances then those attributes are said to contain identical values. Only one of them can be kept and the rest can be deleted.
- **Constant Values**: It refers to those attributes in which every instance has the same value. Since such attributes contribute no information to the data, they can be deleted.

![Diagram of data defects](image)

**Sources**: Authors Compilation
CONCLUSION

Big data is complex, as it needs databases to be stored in, programs and tools to be managed, knowledge and personnel being able to retrieve useful information and visualization to be understood. Big data as such is worthless. Data mining has importance regarding finding the patterns, discovery of knowledge, forecasting etc., in different business domains. Data mining helps in finding the patterns to decide upon the future trends in businesses to grow. Data mining has broad application domain almost in every industry. Data mining is considered one of the most important frontiers in database and information systems and one of the most promising interdisciplinary developments in Information Technology. This paper has presented the conceptual overview of various techniques in data mining and knowledge discovery database.

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HIGH FREQUENCY TRADING: IMPACT ON INDIAN STOCK MARKETS

A. Rajan Lakshmi53

ABSTRACT

The rise of High frequency trading (HFT) has provoked concerns with regard to its impact on market quality, financial stability, information asymmetry and regulatory framework. There is a divide in pool of thoughts over positive affect of HFT increased market liquidity, market depth and decreasing bid-ask spread and associated risks (high message traffic, technology failure, extreme events, rogue algorithms). Because of its relative novelty and the uncertainty related to many of the trading strategies being used today, the debate over high frequency trading is of contemporary relevance. As both old and new emerging markets continue to become highly digitized, algorithmic trading strategies will constantly advance. Every trading strategies being used today, the debate over high frequency trading is of contemporary relevance. As both old and new emerging markets continue to become highly digitized, algorithmic trading strategies will constantly advance. Every change in market is triggered by a decision followed by the execution. Traders have automated the execution of the trade. High frequency trading deals with this decision making process. A decision to trade is based on a multitude of parameters, most of which are digitized and hence are programmable. This paper studied about introduction of High frequency trading, growth and impact of high frequency trading on markets, and Role of technology in High frequency trading.

KEYWORDS

High Frequency Trading, Deployed Strategies, Market Liquidity, Technical Analysis etc.

INTRODUCTION

Technology has played an increasingly important role in the development of securities markets since the 1990s. It was readily embraced in the backend functions of clearing and settlement at exchanges, but it has played a more controversial role in the trading process. Earlier, in the 1970s, there was much debate about moving from open outcry markets to electronic limit order book markets. The latter became accepted as the dominant form of trading only in the last decade. A similar controversy now marks the debate on the role of algorithmic trading in exchanges, where computer algorithms directly place orders to trade. Policy makers, who largely encouraged the use of technology by mandating best execution practices for investors in the 1990s, are now exploring interventions to curb high frequency trading, in the 2010s. How algorithmic trading (AT) affects the quality of securities markets has been extensively analyzed previously. These analyses, however, faced challenges in establishing causal linkages between changes in AT and changes in market quality (Biais and Foucault, 2014). Using a novel dataset and market setting, we set out to address some of these challenges.

High Frequency Trading (HFT) involves the execution of complicated, algorithmic-based trades by powerful computers. The objective of HFT is to take advantage of minute discrepancies in prices and trade on them quickly and in huge quantities. These practices have been around as long as computer systems have been in our lives. As computers get more technically advanced, trading practices have increased in size and algorithms have become more sophisticated. The trades are done at close to the speed of light. Remarkably, HFT firms have moved their server farms near an exchange computer to further increase trading speeds. [1] HFT firms design a variety of strategies to take advantage of various market scenarios. Algorithms trade on price movements past a certain threshold; corporate actions, price ceilings, price floors, and discrepancies in bid/ask spreads. The trades are executed without any human action except for initial programming. In most cases, the trades are executed before individual investors know the quotes of prices, or that the trades happened at all.

For instance, a computer recognizes when one exchange quotes an ask price of one cent more than the quote on another exchange. This computer then trades in extraordinarily large volumes on this information, taking advantage of the arbitrage opportunity in a split second. Before individual and other investors who do not possess the same sophisticated technology realize, the one-cent spread between the two exchanges is erased and the stock price trades at the same level.

HFT firms have become more fragmented. In the past, large investment firms whom had proprietary trading arms experimented with HFTs as a way to supplement their human traders’ activities. Now there are entire hedge funds devoted to this strategy. Managers pool capital based on a proven computer technology and allow the program work for them. In addition, large trading shops incorporate these HFT strategies as part of their overall practice. Such large volumes of HFT trades are being executed that most of the liquidity in daily trading is a result of these trades. By some estimates, HFT makes up 60 to 70% of all trades done in the US on a daily basis.1 Other estimates project that if these strategies keep proliferating at their current rate, 80% of trades will be HFT trades by 2012.[2]

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OBJECTIVES

- To know about is HFT beneficial to market quality or not
- To analyses market data, takes decisions and executes them with the help of ‘decision support tool’ on predefined parameters.
- To study the opportunities can be identified for all types of market trends, such as uptrend, downtrend or even arrange bound market.

NEED FOR STUDY

- It helps in reducing the time taken to react to market events. This also helps in increasing the number of parallel processes that can be executed by a trader and removes the possibility of human errors and influence of emotions in decision-making.
- Due to the automation of trading strategies, decisions are which based taken at a very rapid pace. The speed of execution has moved from milliseconds to microseconds and is expected to move to nanoseconds. Technology architects have been working at reducing the latency by increasing efficiency of the software, network and hardware. Therefore, the execution of the algorithms, though not directly affecting decision-making, plays a key role in identifying opportunities.
- Algorithms can be created to calculate and identify arbitrage opportunities across multiple segments, multiple expiries (near vs far) or multiple instruments (futures vs options).

SCOPE OF STUDY

- Though HFT methods are applied in all tradable securities like equities, derivatives, commodity and forex, this research focuses only on equity markets. A large number of medium and retail investors trade and speculate in equities.
- This research covers only the equities listed on two popular Indian stock exchanges, viz. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
- HFT started gaining momentum circa 2009 and Indian regulator SEBI has certain guidelines in place. Therefore, this study considers FY2009-10 as the starting year for any historical evidences, and data correlation.

RESEARCH METHODOLOGY

- Use the daily and EOD tick data from both BSE and NSE to identify the volumes traded and identify the most traded stocks of the data from FY2009. This will act as primary source of data.
- Secondary data for this study can be obtained from BSE and NSE websites respectively.
- Identify volumes traded by retail investors, domestic institutional investors, and foreign institutional investors.
- Use tick data to identify and establish a hypothesis that HFT methods are used. Use statistical methods as needed.

LITERATURE REVIEW

High-Frequency Trading Competition

Jonathan Brogaard, Corey Garriott and Anna Pomeranets (Foster School of Business University of Washington brogaard@uw.edu; Financial Markets Department Bank of Canada Ottawa, Ontario, Canada K1A 0G9 cgarriott@bankofcanada.ca, apomeranets@bankofcanada.ca)

Today, a computer-based trader need only become a client of a sponsoring broker, the cost of computing hardware has fallen steadily, and there is no requirement to register as a market maker. This has led to a mixture of technology and strategy referred to as high frequency trading (HFT). HFT is the combination of low-latency connectivity, short holding periods and low inventory positions. We study a market in which successive HFT entrants interact with incumbents and other participants. He study uses data from the Alpha trading venue. Alpha is a Canadian alternative trading system now owned by the TMX Group, which also owns the Toronto Stock Exchange. Alpha provided data from its first day of operation in November 2008 to 25 September 2012. The data set for orders, messages and trades has sufficient information to identify the dates on which participants first began to trade on the venue.

The approach in this paper helps to isolate the role of competition from the role of speed and aims to understand the channel by which competition affects markets. Our findings complement papers on HFT market quality. We show that competition among HFT firms, not just speed, plays a role in how they behave in the market and consequently may be partially responsible for the documented relationships between HFT and market quality.
Are high-frequency traders anticipating the order flow? Cross-venue evidence from the UK market

HFTs have received a mixed reaction from academics and practitioners, with some people underlining their role as liquidity providers and others highlighting the problems that they could bring to the market. There have been claims that, by exploiting their speed advantage, HFTs can predict when orders are going to arrive at different trading venues and trade in advance of slower traders. Using a unique dataset, we investigated this specific allegation by looking for patterns compatible with HFTs anticipating the order flow of other participants. The fact that there could be alternative explanations for the patterns we find. Namely, HFTs may be reacting more quickly to news and other public information. Additional research will be needed to eliminate the possibility that the driver of such patterns is a faster reaction to public information. We do not draw any conclusions on whether strategies different from those analyzed in this study are employed by HFTs and other market participants in the UK market and whether or not they are detrimental.


Arrival price algorithms determine optimal trade schedules by balancing the market impact cost of rapid execution against the volatility risk of slow execution. In the standard formulation, mean-variance optimal strategies are static: they do not modify the execution speed in response to price motions observed during trading. We show that with a more realistic formulation of the mean-variance tradeoff, and even with no momentum or mean reversion in the price process, substantial improvements are possible for adaptive strategies that spend trading gains to reduce risk, by accelerating execution when the price moves in the trader's favour. The improvement is larger for large initial positions.


Standard models of algorithmic trading neglect the presence of a daily cycle. We construct a model in which the trader uses information from observations of price evolution during the day to continuously update his estimate of other traders' target sizes and directions. He uses this information to determine an optimal trade schedule to minimize total expected cost of trading; subject to sign, constraints (never buy as part of a sell program). We argue that although these strategies are determined using very simple dynamic reasoning---at each moment they assume that current conditions will last until the end of trading---they are in fact the globally optimal strategies as would be determined by dynamic programming.


Extending the work "Adaptive Arrival Price" (appeared in Algorithmic Trading III, see above), we present a technique to determine fully optimal adaptive strategies by solving a series of convex constrained optimization problems. We show that the improvement over static trajectories is due to correlation between the trading gains/losses in each period and the market impact costs in the remainder. If the price moves in your favour in the early part of the trading, spend those gains on market impact costs by accelerating the remainder of the program. If the price moves against you, reduce future costs by trading more slowly.


This article presents an order flow model framework for limit order driven markets. Different from previous models, the article explicitly models a reference price process that .sweeps. The limit order book as it fluctuates up and down. This framework allows the use of any stochastic process to model this reference price and very general specifications of the limit order flow. The authors believe that this framework can fruitfully combine order flow models with well-studied models for stock price processes and provides a step toward developing realistic yet tractable models for complex limit order driven markets. Public order data from SWX is used as an example to estimate the model parameters.

The von Neumann and Newman poker models are simplified two-person poker models with Uniform (0, 1)-hands. We analyses a simple extension of both models that introduces an element of uncertainty about the final strength of each player's own hand, as is present in real poker games. Whenever a showdown occurs, an unfair coin with fixed bias q is tossed. With probability 1-q, the higher hand value wins as usual, but with the remaining probability q, the lower hand wins. Both models favour the first player for q=0 and are fair for q=1/2. Our somewhat surprising result is that the first player's expected payoff increases with q as long as q is not too large. That is, the first player can exploit the additional uncertainty introduced by the coin toss and extract even more value from his opponent. Stochastic private signal and the decisions of others. Assuming a rational Behaviour, it is known that informational cascades arise, which cause an overwhelming fraction of the population to make the same choice, either correct or false. If agents are able to observe the actions of all predecessors, false informational cascades are quite likely. In a more realistic setting, agents observe just a subset of their predecessors, modelled by a random network of acquaintanceships. We show that the probability of false informational cascades depends on the edge probability p of the underlying network.
HIGH FREQUENCY TRADING

Arguments in Favor of HFT

Liquidity

For markets to function properly and for investors to have confidence putting their money into the stock markets around the world, there must be an adequate amount of liquidity. Investors want to know when they put their money into the market they will be able to sell their investment later. HFT strategies improve market liquidity. The amount and volume of the trades using this strategy ensure a liquid market. HFT traders act as makeshift market makers who buy and sell when no one will. In fact, the spreads they make off their trades are “likely less than what was taken out of the system previously by traditional market makers.” As HFT trades can make up as much as 70% of the trading volume in a given day, investors have a greater ability to be matched up with a counterparty i.e., the HFT trader, willing to either buy or sell at their desired price. Currently, especially for highly followed companies, it is relatively simple to buy or sell a reasonably large amount of shares.

Market Efficiency

HFT contributes to market efficiency. According to the efficient market hypothesis, stock prices already have all public and non-public information priced into them. HFT takes advantage of price discrepancies and arbitrages any discrepancies away. Many believe that, “Narrow spreads mean the market is working better.” Without the large HFT trades that take advantage of the market’s inefficiencies, there would be larger bid/ask spreads. Consequently, investors may be less satisfied with the prices they get in their trades.

Reduced Costs

Increasing liquidity and market efficiency may, some argue, also contribute to falling trading costs for smaller investors. A major cost to mutual funds results from the bid/ask spread. This cost may be mitigated by the activities of HFT that narrow bid/ask margins. Narrower spreads also reduce costs that arise from large fund transactions that affect the final price of a security. HFT traders are able to break these big trades into a many small trades to reduce the effect of a large buy or sell order.

Profitability

One last benefit provided by HFT strategies is their profitability. There is no reliable information on the profitability of HFT firms. Hedge funds do not like to disclose their strategies or profits. [3] Despite the lack of concrete information, HFT profit potential can be inferred from statistical data. The below chart shows the Sharpe ratio potential on a typical HFT strategy as opposed to slower implemented trades.

<table>
<thead>
<tr>
<th>Trading Frequency</th>
<th>Average Maximum Gain per period</th>
<th>Range Standard Deviation per Period</th>
<th>Number of Observations in the Sample Period</th>
<th>Maximum Annualized Sharpe Ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Seconds</td>
<td>0.04%</td>
<td>0.01%</td>
<td>2,592,000</td>
<td>5.879.80</td>
</tr>
<tr>
<td>1 Minute</td>
<td>0.06%</td>
<td>0.02%</td>
<td>43,200</td>
<td>1.860.10</td>
</tr>
<tr>
<td>10 Minutes</td>
<td>0.12%</td>
<td>0.09%</td>
<td>4,320</td>
<td>246.40</td>
</tr>
<tr>
<td>1 Hour</td>
<td>0.30%</td>
<td>0.19%</td>
<td>720</td>
<td>122.13</td>
</tr>
<tr>
<td>1 Day</td>
<td>1.79%</td>
<td>0.76%</td>
<td>30</td>
<td>37.30</td>
</tr>
</tbody>
</table>

Note: *The Sharpe ratio is also called the Reward-to-Variability Ratio. It measures the excess return per unit of risk.

Sources: Authors Compilation

As shown, the potential for higher returns exists based on the strategy alone. In fact, the Sharpe ratio is over 200% higher for the 10-second trading frequency than for the 1-minute frequency. The ratio indicates the enormous potential of these strategies and how they can be used to take advantage of market events without significant person-hours spent on research and other due diligence.

Computers monitoring and trading in stock markets. The computers can do millions of transactions in matter of seconds with better connectivity and processing speed, compared to an ordinary human trader

“There is no equity in equity markets. The market puts ‘moneyed’ people with technology like algo trading in an advantages position, compared to ordinary retail investors,”
The regulators are concerned too. In June 2015, RBI in its Financial Stability Report (FSR) warned Indian market of High Frequency Trading (HFT) – the high-speed form of Algorithmic trading – posing “risks in the form of increased possibilities of error trades and market manipulation”.

RBI attributed certain abnormal activities in the market to Algo trading. In August, the market regulator SEBI was reportedly considering regulations to restrict it.

In Indian Stock Markets, the Algo trade volume in the cash segment was around 40% of total trades in NSE and BSE in March 2015, a substantial increase since first 2008 when it was allowed first time here.

In comparison, it accounts for around 70% of equity trading in the US markets.

**The Mysterious Black-Box**

“High Frequency Algo Trading requires the ability to react to events in the market very fast. It is the biggest contributors of liquidity to the markets,” says Rajib Ranjan Borah, Co-founder and Director of Quant-Insti, one of India’s major Algo trading training institutes.

Algo traders claim it has immense advantages over the conventional trading. It brings a lot of money to the market. It reduces bid-ask spreads—with faster connectivity you are able to find out where the best price is offered, and trade at that price.

They also claim it improves trade volumes and price efficiency, and reduced market volatility. However, many still perceive it as mysterious black box owing to its complexities.

American financial journalist Michael Lewis in his celebrated book “Flash Boys” accused it of rigging markets. “People no longer are responsible for what happens in the market, because computers make all the decisions,” he says in the book.

**DMA and Co-Location**

Algo trading has been there in the US since the 1980s. In India it was allowed only in April 2008 with the introduction of direct market access (DMA) -- allowing of electronic ways of interaction with the stock markets.

It got a boost when ‘co-location’ was allowed in India. Co-location refers to an exchange allowing some traders, usually large traders, to place their computer servers next to that of the servers of the exchange for a price.

This allows faster communication between the two. It means those traders can trade faster than others can. Many for putting smaller traders in a disadvantage position have criticized this. Business Line on August 9 reported that SEBI is considering installing a two-queue system for traders, one for brokers with a co-location advantage and another for those without.

It is also considering a lock-in period for algorithmic trades. “Co-location means those who can pay get the advantage in trading. That is unfair,” says Nagappan.

**Regulations**

In India, the regulator SEBI allows algorithmic trading in all segments -- equities, derivative and commodities. When asked about the regulatory preparedness, SEBI replied to HT that it has issued broad guidelines on Algo / HFT trading in 2012 and 2013 and has specified regulatory requirements for exchanges offering Co-location facility, in May 2015.

The regulations include minimum order level checks, a consolidated audit trail, and framework for penalizing cases of high order-to-trade ratios.

New algorithms are also tested before they go live. SEBI also said it has constituted a Technical Advisory Committee (TAC) to advise it on addressing technological challenges, including co-location, algorithmic trading, and smart order routing.

**Algo Trade – India Vs west**

The major malpractices of Algo traders globally have been spoofing and quote stuffing. They place orders with no intention of executing them, creating an illusion of demand to get favorable prices.
“India has the Security Transaction Tax which is on the value of the trade rather than the number of transactions. In the US, for instance, you have to pay the same amount of tax for a $100 transaction and a $10 million transaction. But it is not so in India,” says Manish Jalan, CEO Samssara Capital Technologies LLP, an algorithmic trading company based in Mumbai.

This prevents too much High Frequency Trades happening in a short time that could potentially lead to flash crashes, he says. “We don’t have too many exchanges.

This also ensures there are no unfair advantages to Algo traders through inter-exchange arbitrage,” he adds. Usually the Algo-trading companies in the US make profit by finding out those exchanges where the value of a particular share would be lesser by slightest margin from other exchanges.

With the multi-exchange connectivity and speed, they then buy large number of those shares and sell those in slightly higher prices in other exchanges.

The profit is made through increasing the trade volume. “Algo trading is affecting genuine investors,” says Nagappan. “Unlike the computers an ordinary trader would not be able to keep track of the market each minute. And he loses out,” he adds.

“Since conventional traders are finding it difficult to compete with algorithms for the same task there is a lot of hue and cry. Like any other industry, things evolve and the old ways need to catch up by learning new skills. There is always a lot of resistance to change, but eventually the fittest survives,” says Borah.

“Any trading strategy that could manipulate the markets can be executed manually or algorithmically. It is the trading strategy which aims to manipulate, and not the platform,” High Frequency Trading

CONCLUSION

Over the last three decades, financial markets have seen tremendous developments with the use of technology. One such development is the use of algorithms to place orders for trade execution on electronic exchanges. While this was considered beneficial to investors to achieve best trade execution initially, today, however, algorithmic trading (AT) is being targeted. The advantage of this paper is a unique data set with clear identification, allowing a research design to overcome the endogeneity bias. The analysis uses a change in technology when the National Stock Exchange introduced co-location services during this time, which caused an increase in AT intensity. The design also identifies pairs of securities that are matched by firm characteristics but have different levels of AT activity. The underlying assumption is that if there is a difference in the market quality after colocation, which is different for the security with high AT compared to the security with low AT, the change can be attributed to AT.

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EMERGING TRENDS IN E-MARKETING IN INDIA AND IT’S CONCEPTUAL STUDY

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ABSTRACT

Marketing is at the core of all business activities. E-Marketing means using digital technologies to help sale the goods or services. These technologies were a valuable complement to traditional marketing methods. According to the potentiality of consumers, companies were adopting internet shopping marketing strategy. However, internet insecurity, payment methods and option, broadband technologies and advancement were to be identified as the criteria that could affect the business flow.

E-marketing includes social marketing, Search engine marketing, E-Mail marketing, word ads, banner ads, video Advertisements etc. Like other forms of market, internet marketing has its benefits and pitfalls. E-Marketing introduces a huge success as well as proved it very much profitable for the business individuals in India. Here in this study we have tried to evaluate the growth, scope and effectiveness of E-Marketing in India, and it is conceptual study.

KEYWORDS

Marketing, E-Marketing, E-Commerce etc.

INTRODUCTION

India being the second largest Internet Population already and Internet Industry growing at the rate of over 20% Year over Year offers a huge opportunity for those who are planning to get into this industry. The digitization of everything with campaigns such as Digital India and e-governance, improving technologies such as 4G penetrating into market and fact that we are biggest youth population that loves to spend most of their time on internet. Before the term e marketing evolved, the term 'digital marketing' was used in the 1990s.

The rapid evolution of digital media created new opportunities and avenues for advertising and marketing. Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'. The term 'digital marketing' became popular over time, particularly in certain countries. In the USA ‘online marketing’ is still prevalent, in Italy it is referred to as 'web marketing' but in the UK and worldwide, ‘digital marketing’ is the common usage.

When trading in products or services takes place by using computer networks, such as the Internet, it is known as Electronic commerce (E-commerce or e-Commerce). Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online-transaction, inventory-management-systems processing, electronic data interchange (EDI), and automated data collection systems. Modern electronic commerce typically uses the World Wide Web although it may also use other technologies such as e-mail. E-marketing includes email, websites and micro sites, search engine advertising, search engine optimization, co-registration, mobile marketing, and other technology-driven tools.

OBJECTIVES OF E-MARKETING

There are different E-Marketing objectives depending on their individual circumstances. A basic framework for developing effective E-Marketing objectives is the five S’s framework, which includes:

- Sell: For sell products and services.
- Serve: To serve best service to customers.
- Speak: Internet use for communicate with customers.
- Save: Using Internet to save cost
- Sizzle: To build brand identity.

BENEFITS OF E-MARKETING

E-Marketing provides various benefits to both consumers and the marketers by way of marketing more efficiently and effectively along with greater savings. It brings with it many benefits that are not available with traditional and offline marketing.

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Benefits to Consumers

- **Convenience:** Customers can shop 24 hours a day from anywhere without going to the store physically.
- **Interactive and Immediate:** Consumers can interact with the seller’s site to find the information, products, or services they desire, then order or download them on the spot.

Benefits to Marketers

- **Customer Relationship Building:** Companies can interact with customers to learn more about their needs and to build customer databases.
- **Reduce Costs and Increase Efficiency:** It avoids the expense of maintaining a physical store, costs of rent, insurance, and utilities. Digital catalogs cost less to produce than printing and mailing paper catalogs.
- **Greater Flexibility - Make changes on the fly:** Unlike offline marketing such as placing traditional advertisements in magazines, newspapers, television, or a paper catalogs whose products and prices are fixed until the next printing, an online catalog can be adjusted daily or even hourly, adapting product availability, prices, and promotions to match changing market conditions by changing a graphic or wording and do it without any problems.
- **Access to Global Markets:** The Internet is a global medium, which allows buyers and sellers to click from one country to another in seconds.
- **Track Real-Time Results:** It allows tracking real-time results using online analytics to determine how marketing campaign is performing. There are ways to track traditional marketing efforts, but most the time it cannot be done in real-time.
- **Target Specific Demographics in Advertising:** It allows in targeting specific demographics such as gender, age, location, specific income levels, education levels and occupation.
- **Variety of Methods:** There are various methods in online marketing such as audio, video, blogging, email, social media and ongoing newsletters.
- **Instant Conversion Ability:** Through e-marketing marketers can get the ability to convert a customer instantaneously. This is not the case when evaluating marketing options in traditional media such as magazine ads, newspapers or television. Through online marketing not only potential customer’s information can be captured, but also capture a sale instantaneously by a few clicks of a mouse, when it comes to offline marketing it takes more time to convert a customer into a sale not to mention the person power it often requires.
- **Measure Results:** If offers companies unprecedented results tracking and customer behavior measurements, easy analysis of results and cross checking ensure the money that is spent provides benefits.

DIFFERENT TECHNIQUES OF E-MARKETING

There are several types of internet marketing, some, which work alone, others, which work in conjunction with others. Here are some types of internet marketing:

**Search Engine Optimizer:** Search engine optimizer or SEO for short, is possible for popular search engine to index a website and boost it up to the top of the result page.

- He should revise the structure of website, webpages or blog.
- He should correct the errors.
- He should develop his own content.
- He should manage online campaign.

**Social Media Marketing:** Social media marketing (SMM) is the process of gaining website traffic or attention through social media sites. The goal of SMM is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach. The use of social media services to garner attention and website traffic is gaining just as much popularity as the networks themselves.
• Listening: Know when to engage,
• Sharing: Turn your buyers into salesmen,
• Measuring: Track ROI in social.

Blog Marketing: Blog marketing is any process that publicizes or advertises a website, business, brand or service via the medium of blogs. This includes,

• To raise the visibility of our company.
• To increase the sale growth and profit
• To contribute to our industry.
• To give the public a look at what goes on within a real live publishing company about the feature of their upcoming products.

Pay per Click Advertising: PPC stands for pay-per-click, a model of internet marketing in which advertisers pay a fee each time one of their ads is clicked. Essentially, it is a way of buying visits to your site, rather than attempting to earn those visits organically.

• It is based on advertisers’ keyword list to show relevant content to the user.
• Using Pay per Click is the quick measurement of success.
• It creates a highly targeted audience to attract visitors.

E-mail Marketing: Email marketing is a way to reach consumers directly via electronic mail. Unlike spam, direct email marketing reaches those interested in your business’ area of expertise. It includes,

• It’s the easy, effective, and affordable way to keep your customer coming back
• It should be professional to attract
• About new product
• Promoting their products by wishing special events
• While giving feedback they put information about their product too
• Save paper and postage

Networking: A business model in which a distributor network is needed to build the business. Usually such businesses are also multilevel marketing in nature in that payouts occur at more than one level. The advantages of network marketing include:

• Flexibility of time
• More Freedom
• High chances at success
• Free Training
• Easy Business plan
• Work at Home
• Easy to run

DIGITAL TRENDS THAT ARE GOING BIG THIS YEAR

Mobile Apps in Daily Life: Mobile apps are being used for each activity today. All thanks to improved Internet connectivity these days Roti, Kapda, Makaan & Gaadi all can be accessed with a single tap. The latest round of huge funding’s provided to grocery apps proves that both corporates and consumers are set to allow these apps to be part of our Daily lives. Moreover, these apps provide such an exclusive services & experiences that local vendors never thought of offering before.

Marketing Automation: It is time to say good-bye to your favorite CRM software, as they are obsolete. The latest name in the game is “Marketing automation”. How it is Different from a CRM. Whereas, CRM only focuses on a small part of buyer journey called Purchase & Loyalty Marketing Automation Software enable you to control entire marketing (Awareness, Consideration, Purchase & Loyalty) across different platforms such as website, SMS, WhatsApp, Call data & Emails all activity and insights can be integrated together.

Social Conversions and ORM: With the world becoming more transparent & interactive due to advent of social media, Brands cannot ignore the voice & opinions of their customers. Hence, it is important for brands to make their customers the hero of their social presence and promote the stories around them. Online Reputation Management (ORM) primarily focuses on managing conversations about a company/brand that are happening online. Responding to queries, Resolving consumer issues and collecting
positive stories is the primary KRA’s of an ORM specialist. On the bigger level, developing strategies to come out of digital crisis is also that comes under ORM.

**Content Marketing:** Nobody likes to call & talk to your sales representatives about features of your products, USP’s, Price etc. today. Why? Because before even making a First Call to a business, most of the prospects have completed their 60% of research online. Moreover, they believe that sales agent will always deliver biased information. Hence world wide web(Internet) needs lots and lots of content created around your buyers journey including answers to their FAQ’s. Content that can influence them, content that can encourage them and content that can make you stand out and create trust in your brand. Writing for web requires you to have a dedicated team of content writers or managers that work together to create & manage different forms of content such as blogs, E-books, Webinars, Explainer Videos, and Testimonials etc. etc.

**Location Based Advertising:** Location based advertising is an advanced level of mobile advertising in which you can target individuals around a specific radius of your store. Generally, ads are shown in partner apps that people use on the go. Such marketing will be boon for local businesses that cannot spend lots on digital marketing budgets.

Imagine a scenario where you are shopping in CP and on you immediately see an ad on your favorite news app “walk into the store in front of you in next 60 seconds and get 50% off”. Image how much walking can that Ad create and that ad is only running to mobile app users that are between the distance of 10-20 meters from that shop. Is not that crazy.

**CONCLUSION**

E-marketing also offers businesses the opportunity to garner data about their consumer base to an extent that has till now been very difficult to achieve via traditional marketing methods. The development of internet marketing and social media advertising has led to examples of businesses in recent years that appear to little more than categories and filter information relating to products and services on the Internet, taking a small cut from any transaction that my occurs a result.

In the end, all I have to say is that E-marketing is a hyperactive dynamic field and new techniques and trend appear every second day. So, do watch out closely. For fresh graduates who are planning to get into the industry what could be more motivating then 18 lakh job opportunity that are expected to be created in next 3 years by “Digital India” campaign alone.

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THE PERCEIVED ORGANISATIONAL ATTITUDE TOWARDS SMARTPHONE USAGE AT WORKPLACE AND ITS IMPACT ON PRODUCTIVITY

Preetha Leena R. 56 Dr. M. Kirupa Priyadarshini57

ABSTRACT

Smart Phone Usage is a relatively new and wildly popular form of technology. With deep mobile penetration, the use of mobile technology has become very popular in the last few years in India. There is considerable debate among academics and business practitioners on the value of the use of smart phones by employees. Some claim that the use of smart phones by organizational members is a waste of time, while others believe it leads to improvements in job performance, partly due to employees’ successful efforts to balance work-life realms. However, the negativity that surround smart phone Usage at workplace overshadows the opportunities it provides the organizations. Hence, this study is on the perceived organizational attitude towards Smartphone usage and in turn if it affects the Productivity of the Employee.

KEYWORDS

Smartphone, Technology, Organizational attitude, Workplace, Productivity etc.

LITERATURE REVIEW

A Smartphone can be defined as “a device that combines a cell phone with a hand held computer, typically offering internet access, data storage, e-mail capability, etc.” These typically are touch screen and can include iPhone, Android, Windows, or Blackberry (Tricia, 2014). Work-life balance can be defined as “the extent to which an individual is equally engaged in and equally satisfied with his or her work role and family role” (Greenhause, et al, 2003). The opposite of this is work-life conflict, which is when the areas of work and life are incompatible, and doing something for work interferes with family life, and vice versa. (Harris et al, 2011).

The use of technology at work becomes more and more popular everyday “In fact, some mobile phone users consider their handsets as extensions of their physical selves” (Campbell & Russo, 2003). A reason for this is that workers often embrace technology because it gives them the flexibility to work from home if they choose. Technology is often used in organizations in order to help employees solve problems and have easier access to information. It has also been shown to help the performance of employees because they can easily communicate with co-workers from anywhere (Day et al, 2012). Use of job-provided or personally owned Smartphone at work and at home, has created a “new open door policy,” portending many changes for employees and organizations Haejung Yun et al, 2012. However, some researchers (Nancy A. Cheever et al, 2014; Chesley, 2005; Haejung Yun et al, 2012; Chesley & Johnson, 2010; Currie & Eveline, 2011) have examined whether this technology is actually having a negative impact on employees’ ability to balance work and life.

RESEARCH MODEL

Figure-1

| Smartphone Usage Intensity | Perceived Organizational Attitude towards Smartphone Usage | Productivity |

Sources: Authors Compilation

RESEARCH METHODOLOGY

Survey methodology was used and a random sample of 95 employees who were IT professionals based in Chennai responded. This is an exploratory research hence Partial Least Squares-Structural Equation Modeling Analyses has been done through Smart PLS Software.

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DATA ANALYSIS

The competencies of PLS-SEM are such that it is able to handle small sample sizes, no assumptions of the particular scale and as well as the normality of the data distribution, (Fornell, (1982), Hair et al, (2012), Wold, (1985)), and also it well known that can handle all data types and scales such as interval, nominal, ordinal and ratio (Fornell, 1985, Garson, 2012, Latan & Ghozali, 2013).

Measurement Instrument

Smart Phone Usage Intensity

SUI_1 - At work, I am proud to tell people I use a Smartphone.
SUI_2 - At work, I spend more time on smartphone.
SUI_3 - At home, I spend more time for work during personal time.
SUI_4 - At work, my smartphone is a part of my everyday activity.
SUI_5 - At work, I feel out of touch when I am not using Smartphone for a while.
SUI_6 - At work, I feel disconnected if I forget my smartphone at home.
SUI_7 - At home, I feel disconnected if I forget my smartphone at work.
SUI_8 - Smartphone gives me greater possibility to individualize my work task.
SUI_9 - Smartphone techniques give me more opportunity to be creative and efficient.

Organization’s Attitude towards Smartphones Measure

POA_1 - The organization expects me to work outside of office hours.
POA_2 - There is an urge to use my smartphone for work outside of working hours.
POA_3 - By using my smartphone for work related interactions after office hours, result in me having to do work after office hours.
POA_4 - It a part of the company working culture to be accessible at any time/ anywhere.
POA_5 - If I contact a co-worker- about a work related matter during an out of office hour on Friday I expect a reply before Monday.
POA_6 - My work is dependent on using my smartphone to do work outside of office hours.
POA_7 - My work is dependent on me completing work related tasks outside of office hours.
POA_8 - My work team expect me to work outside of office hours.
POA_9 - It is a part of my work team’s culture to be accessible at any time/ anywhere.
POA_10 - If I send a reply to an email, text, or voicemail, I expect a quick reply.

Productivity

PRO_1 - The work use of a smartphone helps to improve the quality of my work.
PRO_2 - The work use of a smartphone helps to improve my productivity.
PRO_3 - The work use of a smartphone helps me to accomplish more work than would otherwise be possible.
PRO_4 - The work use of a smartphone helps me to perform my job better.
The Outer Model Results as per the recommended Indicator reliability for exploratory research is >0.6 (Chin, 1998, Hair et al, 2011, Latan & Ghozali, 2013), and the Average Variance Extracted (AVE) IS >=0.5 (Chin, 1998, 2010, Hair et al, 2012, Latan & Ghozali, 2013).

| Table-1 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| sui_1 | sui_2 | sui_3 | sui_4 | sui_5 | sui_6 | sui_7 | sui_8 | sui_9 |
| Iteration 1 | 0.1594 | 0.1343 | 0.0869 | 0.1351 | 0.1442 | 0.2509 | 0.2179 | 0.1720 | 0.1005 |
| Iteration 2 | 0.1566 | 0.1368 | 0.0879 | 0.1380 | 0.1458 | 0.2492 | 0.2149 | 0.1722 | 0.0988 |
| Iteration 3 | 0.1570 | 0.1365 | 0.0877 | 0.1375 | 0.1456 | 0.2494 | 0.2155 | 0.1721 | 0.0989 |
| Iteration 4 | 0.1570 | 0.1365 | 0.0877 | 0.1376 | 0.1456 | 0.2494 | 0.2154 | 0.1721 | 0.0989 |
| Iteration 5 | 0.1570 | 0.1365 | 0.0877 | 0.1376 | 0.1456 | 0.2494 | 0.2154 | 0.1721 | 0.0989 |

| poa_1 | poa_2 | poa_3 | poa_4 | poa_5 | poa_6 | poa_7 | poa_8 | poa_9 | poa_10 |
| Iteration 1 | 0.1113 | 0.0970 | 0.1080 | 0.1181 | 0.0930 | 0.1107 | 0.1149 | 0.1240 | 0.1058 | 0.1074 |
| Iteration 2 | 0.1109 | 0.0985 | 0.1075 | 0.1174 | 0.0958 | 0.1115 | 0.1154 | 0.1219 | 0.1059 | 0.1055 |
| Iteration 3 | 0.1108 | 0.0983 | 0.1076 | 0.1176 | 0.0956 | 0.1115 | 0.1154 | 0.1221 | 0.1058 | 0.1056 |
| Iteration 4 | 0.1108 | 0.0983 | 0.1076 | 0.1175 | 0.0957 | 0.1115 | 0.1154 | 0.1220 | 0.1058 | 0.1056 |
| Iteration 5 | 0.1108 | 0.0983 | 0.1076 | 0.1175 | 0.0956 | 0.1115 | 0.1154 | 0.1220 | 0.1058 | 0.1056 |

| pro_1 | pro_2 | pro_3 | pro_4 |

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The Outer loadings, path coefficients shown on the model

Figure-2

The t values for the measurement and structural model estimates are shown on this screen

Figure-3
| Table-2 |
|-----------------|-----------------|-----------------|-----------------|-----------------|
|                | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (|O/STERR)| |
| Perceived Organizational Attitude -> Productivity | 0.9175 | 0.9263 | 0.0164 | 0.0164 | 56.0057 |
| Smart Phone Usage Intensity -> Perceived Organizational Attitude | 0.815 | 0.8421 | 0.0365 | 0.0365 | 22.3154 |
| Smart Phone Usage Intensity -> Productivity | 0.7478 | 0.7802 | 0.0407 | 0.0407 | 18.3816 |

**Sources:** Authors Compilation

The t statistics in the table above indicate that all structural path coefficients are statistically significant (>0.05) (Chin, 1998, 2010, Henseler et al., 2009, Lattan & Ghozali, 2013)

**FINDINGS**

The findings of the study have both theoretical and practical implications. With regard to theoretical implications, first, both academics and practitioners need valid information to understand the influence of Smartphones on productivity. This becomes important because the popularity of Smartphones is relatively new, and employees engaging in Smartphones during office work hours are growing while scholarly research in this area is presently lacking. The findings suggest that Smartphones has significant positive benefits on individual productivity. Therefore, it is beneficial for firms with a long term-view to pay more attention to evolving Smartphone usage.

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A STUDY ON SOURCE CREDIBILITY OF CELEBRITIES IN MULTIPLE ENDORSEMENTS

Mahalakshmi G.58 Dr. P. R. Shini59

ABSTRACT
Celebrity Endorsement has become one of the important tools in advertisement persuading customers. It is a popular attempt by the marketers to create greater recognition for the advertisement and more importantly the brand. Millions of dollars are spent on celebrity contracts each year by assuming that the benefits of using celebrities will exceed the costs. Accordingly, many researchers have studied the impact of celebrity endorsements on advertising effectiveness. In the Global context, the concept of celebrity endorsement is growing rapidly in the recent years. Nowadays, single celebrity is endorsing multiple products/brands and numbers of such instances are growing year after year. Multiple product endorsements introduce new questions concerning our understanding of how consumers respond to celebrity endorsements. Hence, investigating multiple product endorsements in terms of credibility fills a gap in our knowledge of how consumers respond to the celebrity endorsement process. This study makes an attempt to understand source credibility of celebrity endorser who endorses multiple product categories.

KEYWORDS
Celebrity Endorsement, Source Credibility, Multiple Endorsements etc.

INTRODUCTION
Millions of dollars are spent on celebrity contracts each year by assuming that the benefits of using celebrities will exceed the costs. Due to cut throat competition companies use advertisement as most effective and bombardment tool to gain the competitive advantage. As celebrities are largely connected to public so celebrity endorsement is thought to be the best tool of advertisement to target maximum audience. The product endorsed by celebrity can be transferred into more favorable attitude and product evaluation by the consumers (Dean & Baswas, 2001). Its impact on financial returns is significant and helps to get competitive advantage (Erdogan, 1999). In America, 25 % companies use celebrities in their advertisement due to its significance (Money, Shimp et al. 2006). Audience show interest in the endorsed product, an expert and consumer endorsement both increase audience attitude towards the product.

In 2006 between two and three billion dollars were spent on celebrity advertising in the USA (White, Goddard & Wilbur, 2009). Despite of this large investment, the use of celebrities can have a great value for companies. The announcement of a new celebrity endorser contract, which is seen as a worthwhile investment in advertising, has already a positive impact on stock returns (Agrawal & Kamakura, 1995). Furthermore, celebrity endorsers form a key asset for companies, since much of the success of the $190 billion U.S. media and entertainment industry depends on the successful positioning of the celebrity.

LITERATURE REVIEW
Endorsement by celebrities is not a new phenomenon, however today celebrity endorsement has become one of the most popular forms of advertising (Choi & Rifon, 2007) including in the non-profit sector (de los Salmones, Dominguez, & Herrero, 2013). The current popularity of celebrity endorsements can be attributed to the numerous benefits companies have seen by utilizing this form of advertisement. In today’s media cluttered environment where it is difficult to grab consumer’s attention, marketing managers are looking for celebrities to gather attention and mileage, giving companies a better chance of communicating their message to consumers (Erdogan, Baker, & Tagg, 2001; Kamins, Brand, Hoeke, & Moe, 1989).

DEFINITION OF CELEBRITY ENDORSEMENT
McCracken (1989) defined celebrity endorser as “any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement” (p 310).

CELEBRITY ENDORSEMENT PROCESS
In addition to getting consumers to listen to the advertisement, the use of celebrities is also believed to help consumers remember the message of the advertisement and the brand name the celebrity is endorsing (Agrawal & Kamakura, 1995; Erdogan, 1999;...
Freidman & Friedman, 1979; Misra & Beatty, 1990). Also, in another major advantage in employing celebrity endorsement, celebrities bring their own distinctive images to the advertisement and its associated brand and can create, enhance and change brand image (Erdogan, 1999). According to Agrawal and Kamakura (1995), when a celebrity is paired with a brand, her image helps shape the image of that brand in minds of the consumer. Although research findings are equivocal about the ability of celebrities to generate actual purchase behavior, positive impact on economic returns of sponsoring companies is well documented (Agarwal & Kamakura, 1995; Chung, Derdenger, & Srinivasan, 2013; Elberse & Verleug, 2012; Mathur, Mathur, & Rangan, 1997). Also, despite the debate on effectiveness of celebrity endorsement, it is widely accepted that celebrity endorsers are more effective than non-celebrity endorsers in generating all desirable outcomes (attitudes towards advertising and endorsed brand, intentions to purchase, and actual sales) when companies utilize celebrities whose public persona match with the products and target audiences (Erdogan, 1999). Research in area of celebrity endorsement has focused on understanding the process by which the celebrities add value to company, brand or product. Many scholars have attempted to construct models to explain the celebrity endorsement process. These include the Source Credibility Model, the Source Attractiveness Model, the Product Match-up Hypothesis, and the Meanings Transfer Model. (Plunkett Research 2004)

SOURCE CREDIBILITY

Source credibility is defined as a communicator's positive characteristics that affect the receiver's acceptance of a message (Ohanian 1990). First proposed by Hovland and his associates, the source credibility model contends that the effectiveness of a message depends on perceived expertise and trustworthiness of the endorser (Hovland et al., 1953 and Ohanian 1991). These two factors - expertise and trustworthiness - highlight the concept of the source credibility (Ohanian 1990). According to Kelman (1961), credible source's information can have an impact on beliefs, opinions, attitudes, and behavior through internalization process. The Source Credibility Model proposes that the effectiveness of a message depends on perceived level of expertise and trustworthiness in an endorser (Ohanian, 1991).

Most of the research on celebrity endorsements has concentrated on the source effects (i.e. the celebrity being the source of a communication and the consumer being the receiver) of celebrity endorsements on the consumers. Researchers, such as Ohanian (1990), have identified three dimensions of source credibility; which are Trustworthiness, Expertise and Attractiveness (all grounded in previous literature) and have constructed a reliable and valid scale to measure source credibility. However, literature has contradictory evidence about the impact of the credibility dimensions on consumer attitudes. While some studies found out trustworthiness to be the most important dimension of source credibility (Atkin and Block 1983; Kamins 1989; McGinnis and Ward 1980), there were studies in support of Expertise (Maddux and Rogers 1980; Ohanian 1991; Swartz 1984) and in support of Attractiveness (Baker and Churchill 1977; Caballero, Lumpkin, and Madden 1989; Kahle and Homer 1985; Silvera and Austad 2004). The concept of source credibility in multiple product endorsements by the same celebrity has been sparsely studied in literature. Some early studies by Mowen and Brown (1981) and Mowen et al. (1979) suggested that simply knowledge about a celebrity with multiple product endorsements could erode consumers' perceptions of the celebrity's credibility and at the same time negatively affect brand and advertisement evaluations. In their empirical study, Tripp et al. (1994) found multiple endorsements by the same celebrity negatively influence consumers' perceptions of his/her credibility and likability, as well as attitude toward the advertisement. Tripp et al. (1994) also found that the number of exposures (of the consumers) to the celebrity endorser had a negative impact on consumer attitudes independent of whether the celebrity was endorsing single or multiple products.

EFFECTS OF MULTIPLE CELEBRITY ENDORSEMENTS

Celebrity endorsement can be classified according to the number of products endorsed (single product vs. multiple products) or number of celebrities doing the endorsement (single celebrity vs. multiple celebrities). Multiple product endorsement refers to when a celebrity endorses more than one brand. According to Tripp et al. (1994), some celebrities are “shared” by different advertising firms, i.e., they promote more than one brand. When one becomes a celebrity, he or she will likely be tempted to endorse more than one brand for financial gain. Roger Federer, former number one tennis player, endorses sports clothing (Nike), watches (Rolex), razors (Gillette), chocolates (Lindt Lindor), insurances (National Suisse), coffees (Jura), cars (Mercedes-Benz) and more. This type of multiple endorsements is called multiple brand endorsement. Eva Longoria for example endorses Bebe Sport, L’oreal, Hanes, Magnum ice-cream, Heineken and Microsoft and Tiger Woods, for instance, endorses not only Nike but many other brands, such as American Express, Tag-Heuer, Buick, Accenture, etc.

Positive Effects

Recent evidence suggests that consumers’ attachment to a celebrity may play an important role on consumers’ perceptions (Illicic & Webster, 2011). In their study they examined the impact of consumer-celebrity attachment strength in different endorsement situations on consumers’ attitudes. It appears that irrespective of the number of products a celebrity endorses, strong consumer-celebrity attachment activates positive attitudes toward the advertisement and the brand. Furthermore, it evokes positive feelings of satisfaction, commitment and trust with the celebrity brand relationship (Thomson, 2006). However, consistent with previous
research (Mowen & Brown, 1981) this is not the case for purchase intention. Multiple product endorsements have a negative (positive) influence on purchase intention when there is a strong (weak) attachment to the celebrity. This finding can be explained by the attribution theory; the relationship loses its uniqueness when a celebrity endorses more products, leading consumers inferring that the nature of the product was not the reason for endorsement. However, consumers who have a weak attachment to the celebrity may simply count the number of products being endorsed by the celebrity and use this frequency knowledge as a cue to form positive purchase intentions (Alba & Marmorstein, 1987). This relationship between repetition and attachment is further explored by the study conducted by Rice et al. (2012).

A positive effect of multiple product endorsers of a celebrity is the transfer of several different positive characteristics of product images of different brands which influence accompanying brands that have the same celebrity endorser (Redenbach, 2005). When the celebrity has a successful campaign for a specific brand, the other brand where the celebrity is endorsing for can hitchhike on the success of the other campaign. Other positive effects of multiple product endorsers are that celebrities stand for a different mix of characteristics, like lifestyle and demographics; their association set increases. Using multiple celebrities in collaboration, it becomes easier to successfully represent a specific brand. For example, the company L’oreal matches their extensive and diverse product lines in conformity with the meanings and characteristics that consumers identify with the celebrity (Redenbach, 2005). Large incidents like Tiger Woods, with his alleged affairs, or Michael Jackson, alleged child molestation and intimacy, had discredited the accompanying brands Nike and Pepsi (Till & Shimp, 1998; Amos et al., 2008; Louie & Obermiller, 2002). When a non-desirable incident takes place, the effectiveness of the endorser can decrease because his credibility is affected (Louie & Obermiller, 2002). Consequently, this can sway the attitude consumers have towards the brand. Subsequently, the purchase decision making of the consumer will be affected, as well the sales of the product. According to Till and Shimp (1998), negative information about a celebrity resulted in a decline of attitude towards the brand and the change of attitude will be influenced by the association set size, the timing of the negative information, and the strength of the link between brand and celebrity.

Negative Effects

Prior studies on multiple product endorsements (Mowen and Brown 1981; Mowen, Brown and Schulman 1979) suggest that it does indeed negatively affect consumers' assessment of the endorser's trustworthiness, brand image and ad evaluations. Based on attribution theory, Kelly (1973) contends that multiple product endorsers are evaluated less favorably than single product endorsers. Hence, multiple product endorsements precipitate differences in consumers’ perceptions of the endorsers (Tripp, Jensen, and Carlson 1994). Tripp, Jensen and Carlson (1994) further suggest that "the number of products a celebrity endorses negatively influences consumers' perceptions of endorser credibility and likability, as well as attitude toward the ad, and the number of exposures to the celebrity endorser has an impact on attitude toward the ad and purchase intention" (p. 543).

In this regard, early work by Tripp et al. (1994) suggested that multiple endorsements by a celebrity would have a negative impact on the consumers’ perception of the celebrity credibility and would adversely affect attitude toward the advertisement. More recently, Ilicic and Webster (2011) have supported similar views when they found multiple endorsements by a celebrity to negatively affect consumer attitudes. In such a scenario, it would be interesting to see whether having a celebrity with a high number of product endorsements would have a differential impact on consumer attitudes in the Indian context. Moreover, a well researched phenomenon in celebrity endorsements suggest that celebrity product congruence is important for achieving positive consumer attitudes in the context of celebrity endorsements (Friedman and Friedman 1979; Kamins and Gupta 1994; Mittelstaedt et al. 2000). Researchers such as Kaikati (1987) identified overexposure of a celebrity as a disadvantage of celebrity endorsements. A fact that the audience may have a more favorable attitude towards a celebrity with fewer numbers of endorsements to the one with multiple endorsements was empirically validated by Mowen and Brown (1981).

EFFECTS OF MULTIPLE CELEBRITY ENDORSEMENTS IN INDIA

With the onset of television as a powerful media for mass advertising in India in 1980s, a number of Indian brands like Vimal, Thums Up and Gwalior used star appeal during their early days of mass advertising. The role of celebrities in Indian context can be highlighted with the example of Coca Cola, who earlier never used celebrities internationally, but started using Indian celebrities for its advertisements in India in 1990s. Even a premium brand like Parker which commanded tremendous brand equity used leading Indian movie star Amitabh Bachchan to endorse the brand in India. The endorsement of Hyundai Santro car by leading actor Shah Rukh Khan has worked well for the brand as well as for the actor. Santro became the second largest selling car in India within four years of its launch and Shah Rukh Khan, who was endorsing three brands, went on to endorse more than 30 brands in 2009 (The Hindustan Times – 17 September, 2012).

The last few years have seen companies like Hero Honda, Airtel, Pepsi, and Sahara Homes employing multiple celebrities to endorse their product. The surge in celebrity advertisements is in contrast to the advertising scene in United States where inspite of increase in incidence of celebrity advertising; only about 25 % of advertisements feature celebrities (Money et al., 2006). Practitioner’s persistent use of celebrity endorsers in emerging markets like India suggests that celebrity endorsement is likely to prove an effective advertising strategy in these markets (Amos, Holmes, & Strutton, 2008).
A study by Jain et al (2010) based on content analysis of Indian television commercials for the period 1995-2007, for about 556 advertisements, 56 celebrities, showed that multiple products/brands are endorsed by the same celebrity endorsers. For instance, the popular Bollywood film star Amitabh Bachchan is seen to endorse brands like Cadbury, State Bank of India (SBI), Pepsi, Dabur, and Nerolac; i.e more than 50 brands across disparate product categories. Pepsi is endorsed by Aamir Khan, Ashwarya Rai, Sachin Tendulkar, Vijay and Rahul Dravid. Another supporting results on multiple product endorsement was brought out by Patra and Dutta (2010); the authors pointed out that in the year 2008, leading Hindi movie stars from Bollywood such as Hritik Roshan was endorsing 20 brands, Juhi Chawla was endorsing 17 brands and Katrina Kaif and Priyanka Chopra endorsed more than 10 and 12 brands respectively (The Economic Times – 3 February, 2010). Amir Khan was endorsing 10 brands while the leading cricketers such as Sachin Tendulkar and Rahul Dravid were endorsing more than 15 brands each. We see that though some of the celebrity endorsers like cricket players Mohammed Azharuddin and Ajay Jadeja were dropped by their respective brands after being dragged into the betting controversy, most of the times in India, the celebrity endorsers continue to enjoy the confidence of brands even in case of negative publicity. There are examples like Salman Khan who inspite of involved in cases like shooting down the endangered black buck or allegedly mowing down people who were sleeping on a Mumbai pavement, has appeared for brands like Perfetti’s Chlormint, HUL’s Wheel, and Sangini Jewellery etc. When Saurabh Ganguly, the then Indian cricketer captain was dropped from the team and has been struggling to make a comeback, Pepsi decided not to drop him from the advertisements. Thus one can surmise that even when celebrity endorsers go through a bad patch which may lead to a drop in their star power, companies continue their association. Thus, it is very evident that the Indian media and entertainment industry, particularly the television commercial sector is in the process of engaging the source credibility of single celebrity endorser for multiple product categories.

CONCLUSION

Celebrity endorsement plays the role of the signaling strategy and is increasingly employed across various industries regardless of the product type. The billions of dollars spent per year on celebrity endorsement contracts show that celebrities play an important role for the advertising industry. Nowadays many companies choose to use celebrities as endorsers for their multiple product advertising campaigns. Also, for the celebrity endorsers, it provides insight for the process of formation of credibility for the endorser through the product/brand endorsed. Particularly, while multiple product endorsements, when the factors affecting credibility keep on changing with respect to the product category chosen, the image/credibility of endorser in a questionable state. Moreover, the celebrity should be cautious enough with multiple endorsements, since more favorable initial attitudes towards him/her may become unfavorable with increased exposure levels; if the celebrity possesses any kind of negative attitude, this might further tamper the attitude towards the celebrity endorser.

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A CASE STUDY ON CUSTOMER CONTENTMENT TOWARDS LIFESTYLE IN CHENNAI DISTRICT

Dr. D. Mahesh

ABSTRACT

Increasing competition is forcing businesses to pay much more attention to satisfying customers. Customer contentment is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business. Customer contentment is seen as a key differentiator and increasingly has become a key element of business strategy. This study focuses on the various parameters that lead to customer contentment and ultimately increases the overall sales. Organizations need to retain existing customers while targeting non-customers. Measuring customer contentment provides an indication of how successful the organization is at providing products and services to the marketplace. This article also analyses the various deciding factors for the customer to repurchase from the store and to recommend it to others. The study also focuses on the measurement of customer contentment related to Service rendered at LifeStyle, Chennai. Questionnaires were filled by the customers who shopped in the store. Depending on the feedback given by them through the questionnaire, the likes and the dislikes of the customers were found and analyzed. After detailed analysis measures were taken to improve the areas where the level of customer contentment was less and also to improve the overall sales of the store. Other statistical tests like chi-square tests were done to find the relationship between things like annual income and frequency of shopping, customer service and overall contentment, annual income and money spent on kid’s product and so on.

KEYWORDS

Customer Contentment, Retail, Lifestyle etc.

INTRODUCTION

Retailing consists of the sale of goods or merchandise from a very fixed location, such as a department store, boutique or kiosk, or by mail, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a "retailer" buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. The term "retailer" is also applied where a service provider services the needs of a large number of individuals, such as a public utility, like electric power. Shops may be on residential streets, shopping streets with few or no houses or in a shopping mall. Shopping streets may be for pedestrians only. Sometimes a shopping street has a partial or full roof to protect customers from precipitation. Online retailing, a type of electronic commerce used for business-to-consumer (B2C) transactions and mail order, are forms of non-shop retailing. Shopping generally refers to the act of buying products. Sometimes this is done to obtain necessities such as food and clothing; sometimes it is done as a recreational activity. Recreational shopping often involves window shopping (just looking, not buying) and browsing and does not always result in a purchase.

Etymology: Retail comes from the French word retailer's which refers to "cutting off, clip and divide" in terms of tailoring (1365). It first was recorded as a noun with the meaning of a "sale in small quantities" in 1433 (French). Its literal meaning for retail was to "cut off, shred, paring". Like the French, the word retail in both Dutch and German, also refers to the sale of small quantities of items.

Merchandising (Merchandizing): It is defined as sales promotion as a comprehensive function including market research, development of new products, coordination of manufacture and marketing, and effective advertising and selling.

Retail Pricing: The pricing technique used by most retailers is cost-plus pricing. This involves adding a markup amount (or percentage) to the retailer's cost. Another common technique is suggested retail pricing. This simply involves charging the amount suggested by the manufacturer and usually printed on the product by the manufacturer.

Transfer mechanism: There are several ways in which consumers can receive goods from a retailer.

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**Counter Service**, where goods are out of reach of buyers and must be obtained from the seller. This type of retail is common for small expensive items (e.g., jewelry) and controlled items like medicine and liquor. It was common before the 1900s in the United States and is more common in certain countries.

**Delivery (Commerce)** - where goods are shipped directly to consumer's homes or workplaces. Mail order from a printed catalog was invented in 1744 and was common in the late 1800s and early 1900s. Ordering by telephone is now common, either from a catalog, newspaper, television advertisement or a local restaurant menu, for immediate service (especially for pizza). Direct marketing, including telemarketing and television shopping channels, are also used to generate telephone orders. Online shopping started gaining significant market share in developed countries in the 2000s.

**Door-to-door Sales**, where the salesperson sometimes travels with the goods for sale.

**Self-service**, where goods may be handled and examined prior to purchase, has become more common since the 1920s.

**Second Hand Retail**: Some shops sell second-hand goods. In the case of a nonprofit shop, the public donates goods to the shop to be sold. In give-away shops goods can be taken for free. Another form is the pawnshops, in which goods are sold that was used as collateral for loans. There are also "consignment" shops, which are where a person can place an item in a store and if it sells, the person gives the shop owner a percentage of the sale price. The advantage of selling an item this way is that the established shop gives the item exposure to more potential buyers.

**Discount Stores**: Discount stores offer a wide range of products, although they mainly offer value goods, such as house wares, clothes, kitchen wares, gifts and healthcare products. The products in discount stores have low price points because they are purchased in large quantities, they are manufactured inexpensively, they are generic brands or store brands, or they are part of clearance with diminished value to manufacturers or other retail chains. In the U.S. most of the largest discount store chains are public companies, not privately owned because the equity financing allows the retail company to expand its chain, increasing their purchasing power and strengthening their ability to provide discount pricing.

**Sales Techniques**: Behind the scenes at retail, there is another factor at work. Corporations and independent store owners alike are always trying to get the edge on their competitors. One way to do this is to hire a merchandising solutions company to design custom store displays that will attract more customers in a certain demographic. The nation's largest retailers spend millions every year on in-store marketing programs that correspond to seasonal and promotional changes. As products change, so will a retail landscape. Retailers can also use tactics such as the look of a perfectly-stocked store, even when it is not. A destination store is one that customers will initiate a trip specifically to visit, sometimes over a large area. These stores are often used to "anchor" a shopping mall or plaza, generating foot traffic, which is capitalized upon by smaller retailers.

**Customer Service**: According to the book "Discovery-Based Retail" customer service is the "sum of acts and elements that allow consumers to receive what they need or desire from your retail establishment." The retail industry is divided into organised and unorganised sectors. Over 12 million outlets operate in the country and only 4% of them being larger than 500 sq ft (46 m2) in size. Organised retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganised retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner manned general stores, paan/beedi shops, convenience stores, hand cart and pavement vendors, etc.

Most Indian shopping takes place in open markets and millions of independent grocery shops called kirana. Organized retail such supermarkets accounts for just 4% of the market as of 2008. Regulations prevent most foreign investment in retailing. Moreover, over thirty regulations such as "signboard licences" and "anti-hoarding measures" may have to be complied before a store can open doors. There are taxes for moving goods to states, from states, and even within states.

**Growth**: An increasing number of people in India are turning to the services sector for employment due to the relative low compensation offered by the traditional agriculture and manufacturing sectors. The organized retail market is growing at 35 percent annually while growth of unorganized retail sector is pegged at 6 percent. The Retail Business in India is currently at the point of inflection. Rapid change with investments to the tune of US $ 25 billion is being planned by several Indian and multinational companies in the next 5 years. It is a huge industry in terms of size and according to management consulting firm Technopak Advisors Pvt. Ltd., it is valued at about US $ 350 billion. Organised retail is expected to garner about 16-18 percent of the total retail market (US $ 65-75 billion) in the next 5 years.

India has topped the A.T. Kearney’s annual Global Retail Development Index (GRDI) for the third consecutive year, maintaining its position as the most attractive market for retail investment. The Indian economy has registered a growth of 8% for 2007. The predictions for 2008 is 7.9%. The enormous growth of the retail industry has created a huge demand for real estate. Property developers are creating retail real estate at an aggressive pace and by 2010, 300 malls are estimated to be operational in the
country. With over 1,000 hypermarkets and 3,000 supermarkets projected to come up by 2011, India will need additional retail space of 700,000,000 sq ft (65,000,000 m²) as compared to today. Current projections on construction point to a supply of just 200,000,000 sq ft (19,000,000 m²), leaving a gap of 500,000,000 sq ft (46,000,000 m²) that needs to be filled, at a cost of US$15–18 billion.

According to the Icrier report, the retail business in India is estimated to grow at 13% from $322 billion in 2006-07 to $590 billion in 2011-12. The unorganized retail sector is expected to grow at about 10% per annum with sales expected to rise from $ 309 billion in 2006-07 to $ 496 billion in 2011-12.

The Indian Retail Market

Indian market has high complexities in terms of a wide geographic spread and distinct consumer preferences varying by each region necessitating a need for localization even within the geographic zones. India has highest number of outlets per person (7 per thousand) Indian retail space per capita at 2 sq ft (0.19 m²)/ person is lowest in the world Indian retail density of 6 percent is highest in the world. 1.8 million households in India have an annual income of over 45 lakh. Delving further into consumer buying habits, purchase decisions can be separated into two categories: status-oriented and indulgence-oriented. CTVs/, LCDs, washing machines, dishwashers, microwave ovens and DVD players fall in the status category. Indulgence-oriented products include plasma TVs, state-of-the-art home theatre systems, iPods, high-end digital cameras, camcorders, and gaming consoles. Consumers in the status category buy because they need to maintain a position in their social group. Indulgence-oriented buying happens with those who want to enjoy life better with products that meet their requirements. When it comes to the festival shopping season, it is primarily the status-oriented segment that contributes largely to the retailer’s cash register. While India presents a large market opportunity given the number and increasing purchasing power of consumers, there are significant challenges as well given that over 90% of trade is conducted through independent local stores. Challenges include: Geographically dispersed population, small ticket sizes, complex distribution network, little use of IT systems, limitations of mass media and existence of counterfeit goods

Challenges

To become a truly flourishing industry, retailing needs to cross the following hurdles:

- Automatic approval is not allowed for foreign investment in retail.
- Regulations restricting real estate purchases, and cumbersome local laws.
- Taxation, which favours small retail businesses.
- Absence of developed supply chain and integrated IT management.
- Lack of trained work force.
- Low skill level for retailing management.
- Lack of Retailing Courses and study options
- Intrinsic complexity of retailing – rapid price changes, constant threat of product obsolescence and low margins.

OBJECTIVES OF STUDY

- To study customer contentment towards the one-stop kid’s retailing store LifeStyle.
- To study customer preferences with respect to brand and price.
- To study the effect of advertisement and promotion on the customer.
- To analyse and find the factors that influences the customer while buying.
- To provide the store with a better understanding of how consumer’s choice of goods can affect their sales.

SCOPE OF THE STUDY

- This study will show the overview of customer contentment of the store LifeStyle.
- The study is to analyze the effectiveness of retailing strategies of the store.
- The study would also help in finding how customer contentment can affect overall sales
- The study will also help in finding if there is an effect on sales due to promotion activities.

LIMITATIONS OF STUDY

- The time duration is a major constraint for the study and is applicable to Chennai District only.
- The respondents may skip some crucial questions
- Due to their busy schedule some customers could not give answers to all the questions in the questionnaire.
Retailing has now become a key growth area. There has been an attitude change in the way the Indian consumer thinks about shopping. Over the last decade, there has been a significant evolution in the way people shop. Earlier, it was the lack of consumer culture along with low incomes that prevented the development of elaborate shopping. But economic growth has now triggered off a spending spree, with India's middle and high-income population suddenly realizing that they have enough disposable income to go for the good times. The early indicators of this revolution are the mushrooming of better quality retail outlets, a profusion of brands and various product options. The Indian consumer who can discern a clear value proposition and unbeatable prices at better prices in a better ambience the industry have finally begun to move towards modernization, systematization and consolidation.

Retail, India's largest industry is driven by the markets' ability to provide better products in a comfortable ambience at affordable prices. The growth of large multi-brand kid's product outlets is one result. These outlets are usually 20,000-50,000 sq ft in size, have their own parking space, and separate counters for toys, accessories, kid's wear, books, footwear and music/rhymes. Some of these retailers have begun to develop a private label brand, to supplement their range and improve their margins. These have become significant brands in their own right. Similar departmental stores/multi brand outlets are likely to develop into a significant format in the Indian market over the next decade. The players who can make organized retailing an integral part of India will be the ones who reap the benefits at the end of the change process. The industry however will have to work in tandem with the government and manufacturers to build a more positive environment for retail and cater to the demand for better products and retailing from India's first generation of demanding cash rich consumer.

There was a time when children were not spoken of as spenders or customers. But, today, children are viewed as a viable market or customers. But, today, children are viewed as a viable market. Children are a future market for most goods and services. Manufacturers and retailers respond to them as future consumers to be cultivated now. Kid’s stores have special promotions for children - a sci-fi Saturday, for example - to build store awareness for the day when they begin to buy their own clothes. Children also persuade their parents to buy things they desire.

The implementation of such a retail marketing strategy yields benefits for consumers, manufacturers and wholesalers and creates economic utility. The first point under retailing benefits for customers, bulk breaking refers to the act of retailers of buying goods...
in large quantities and then breaking them into smaller sizes for their individual customers. As a result purchases become convenient for customers - in terms of quantity bought as well as expenditures made. The assorting function is nothing but evaluating all the different products available and offering to the target the optimum array of products from which to choose. The storing function performed by the retailers relieves customers of the task of anticipating their desires too far in advance of their needs as the retailers keep goods in inventory until customers are willing to buy and use them. Further, retailers help manufacturers smoothen the production cycle by placing orders for peak demands well in advance and by managing inventory even on behalf of the manufacturer. They create economic utility for consumers by providing the products in the form and at the place and time desired by the consumer.

**Need for Customer Contentment** - The age of mass production and mass distribution welcomed by most customers and organizations, has had one negative consequence, it has distanced those who produce goods and services from those who consume them. In the era preceding mass distribution, producers found out very quickly how satisfied or dissatisfied their customers were in the course of their frequent and necessary interaction with their customer. This face-to-face interaction reminded the producers’ daily of the sovereignty of customers. The feedbacks were readily accepted from the customers and were adopted for making desired changes to improve their services and improve customer contentment. So customer contentment was a daily phenomenon. Enter the era of mass distribution and the channels of distribution created to disseminate products and services. This has resulted in distancing customers from the producers by the distribution channels. Intermediary institutions maintained this pipeline of products and services whose job was to move the product or services from the producer to end customers. A natural reaction for the producers was to give up or delegate responsibility for customers servicing, depending on newly created intermediaries to look after customer’s contentment. Delegating responsibilities was a bad idea in two respects: first, it eliminated once and for all direct interaction with customers. Second, customer became a missing component in the producers’ decision set.

**RESEARCH METHODOLOGY**

**Research Design - Descriptive Research Design**

**Sampling Techniques** - The sampling technique adopted for the purpose of the study is convenience sampling. Both the primary source of data for the study is collected by Questionnaire. The sample size of the study is 105, Sample Area is Chennai. The Statistical tools like Tabulation, Graphic Representations, percentage analysis and, Chi-Square, are used in the compilation and computation of data.

**ANALYSIS AND INTERPRETATION**

**Table 1: Frequency in which the Customer visits the Store**

<table>
<thead>
<tr>
<th>Frequency of Customer’s Visit</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everyday</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>2-4 times a week</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Once in a month</td>
<td>55</td>
<td>52</td>
</tr>
<tr>
<td>Once in a Year</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Interpretation:** From the above table it is inferred that out of 105 respondents 22% of them shop every day, 17% shop 2-4 times a week, 52% shop once in a month and 9% shop once in a year.

**Table 2: Influence of Communication Tools on Customers**

<table>
<thead>
<tr>
<th>Influence of Communication Tools on customers</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>52</td>
<td>49</td>
</tr>
<tr>
<td>Good</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>Fair</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Poor</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Interpretation:** The above table shows that 50% of the customers are excellently influenced by the communication tools like TV, newspaper, Internet and so on.
Table-3: The Likelihood of the Customer Suggesting the Store to Friends

<table>
<thead>
<tr>
<th>Likelihood of the Customer Suggesting the Store</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>71</td>
<td>67</td>
</tr>
<tr>
<td>Good</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Fair</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Poor</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: From the above table 68% of the respondents are likely to suggest the store to their friends and 23% have good likeliness to suggest the store to friends.

Table-4: Promotions that Influence Customer to Buy from the Store

<table>
<thead>
<tr>
<th>Promotions that Influence Customer to Buy from the Store</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupons</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Bonus Packs</td>
<td>38</td>
<td>37</td>
</tr>
<tr>
<td>Price-offs</td>
<td>43</td>
<td>41</td>
</tr>
<tr>
<td>Contests</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The above table shows that 12% of customers like coupons as promotions, 36% like Bonus packs, 41% like price-offs and only 10% like contests.

Table-5: Likelihood of the Customer to Repurchase

<table>
<thead>
<tr>
<th>Likelihood of the Customer to Repurchase</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>86</td>
<td>82</td>
</tr>
<tr>
<td>Good</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Fair</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Poor</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The above table shows that more than 80% of the respondents would repurchase from the store and 2% of the customers do not want to repurchase as they are not satisfied with the store’s service.

Table-6: Factor that the Customers liked most in LifeStyle

<table>
<thead>
<tr>
<th>Factor that the Customers liked most in LifeStyle</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambience</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Products</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>Customer Service</td>
<td>44</td>
<td>42</td>
</tr>
<tr>
<td>Promotions/Events</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: From the above table it is inferred that 22% of customers like the ambience of the shop, 26% like the products, 42% like customer service, and 10% like promotions and events.
Table-7: How the Customer Learnt about LifeStyle

<table>
<thead>
<tr>
<th>How the Customer Learnt about LifeStyle</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Newspapers</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Internet</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Friends</td>
<td>44</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: From the above table it is seen that 22% of the customers learned about the store through TV, 16% through newspapers, 20% through internet and 42% through friends.

Table-8: Advertisement Appealed to the Customer

<table>
<thead>
<tr>
<th>Advertisement Appealed to the Customer</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>89</td>
<td>85</td>
</tr>
<tr>
<td>No</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The above table shows that 85% of the customers liked the advertisements and 15% did not feel the advertisement appealing because the advertisements were not attractive and did not highlight the advantages of shopping in LifeStyle.

Table-9: Customers Liked to Bring their Kids when they Shop (y/n)

<table>
<thead>
<tr>
<th>Customers Liked to Bring their Kids when they Shop (y/n)</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>66</td>
<td>63</td>
</tr>
<tr>
<td>No</td>
<td>39</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The above table shows that 63% of the respondents liked to bring the kids when they come for shopping and 37% do not like to bring their kids because they get attracted by the products available and ask for so many things to be bought.

Table-10: Customer’s Satisfaction with the Accessibility of the Store

<table>
<thead>
<tr>
<th>Customer’s Satisfaction with the Accessibility of the Store</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>33</td>
<td>31</td>
</tr>
<tr>
<td>Satisfied</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>Neutral</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The above table shows that 57% of the customers were comfortable with the accessibility of the store and 23% were not comfortable with the accessibility of the store as they felt the store was too far from the center of the city and was not located on the main road itself.

Table-11: Customer Satisfaction for the Money Spent

<table>
<thead>
<tr>
<th>Customer Satisfaction for the Money Spent</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>43</td>
<td>41</td>
</tr>
<tr>
<td>Satisfied</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Neutral</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
**Interpretation:** The above table shows that 41% of the customers were highly satisfied for the value they got for the money spent. 16% were satisfied, 20% were neutral, 16% of the customers were not satisfied and 7% were highly dissatisfied for the money they spent as they felt the products were too expensive and were not of good quality.

**Table-12: Customer Satisfaction with the Availability of Products**

<table>
<thead>
<tr>
<th>Customer Satisfaction with the Availability of Products</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>53</td>
<td>50</td>
</tr>
<tr>
<td>Satisfied</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Neutral</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Interpretation:** The above table shows that 50% of the customers were highly satisfied with the product availability, 23% were satisfied and 7% were not satisfied as they did not get the products that they were looking for.

**Table-13: Satisfaction of Brands Sold**

<table>
<thead>
<tr>
<th>Satisfaction of Brands Sold</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>56</td>
<td>53</td>
</tr>
<tr>
<td>Satisfied</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Neutral</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Interpretation:** The above table shows that around 75% of the customers were satisfied with the brands sold in the store and around 7% were not satisfied and 18% were neutral.

**Table-14: Customer Satisfaction with Products Arrangement in the Store**

<table>
<thead>
<tr>
<th>Customer Satisfaction with Products Arrangement in the Store</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>56</td>
<td>53</td>
</tr>
<tr>
<td>Satisfied</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Neutral</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Interpretation:** The above table shows that 75% of the customers were satisfied with the way the products were organized in the store and 7% of the customers felt the products were not arranged properly.

**Table-15: Customer Satisfaction with the Store’s Pricing**

<table>
<thead>
<tr>
<th>Customer Satisfaction with the Store’s Pricing</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>28</td>
<td>26</td>
</tr>
<tr>
<td>Satisfied</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Neutral</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation
Interpretation - The table shows that more than 50% of the customers were comfortable with the store’s pricing and around 30% of the customers were not satisfied with the pricing as they felt the price was too high.

<table>
<thead>
<tr>
<th>Customer Service</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>67</td>
<td>64</td>
</tr>
<tr>
<td>Satisfied</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Neutral</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The above table shows that 64% of the customers were highly satisfied with the customer service and 18% were satisfied, 7% were not satisfied with the customer service.

Table-17: Customer Satisfaction with the Layout and Ambience

<table>
<thead>
<tr>
<th>Satisfaction with the Layout and Ambience</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>45</td>
<td>43</td>
</tr>
<tr>
<td>Satisfied</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Neutral</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The above table shows that 43% of the customers like the layout and the ambience of the store and around 28% did not like the ambience and layout.

Table-18: Overall Customer Satisfaction

<table>
<thead>
<tr>
<th>Overall Customer Satisfaction</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>56</td>
<td>53</td>
</tr>
<tr>
<td>Satisfied</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The above table shows that 65% of the customer liked the store overall and around 27% were not satisfied with the store as they did not like the service rendered and the product availability.

Hypothesis Testing

Chi-square test to find out the relationship between the annual income of the customers and the Promotion activities they prefer

Table-19

<table>
<thead>
<tr>
<th>Annual Income (in Lakhs)</th>
<th>Coupons</th>
<th>Price-offs</th>
<th>Bonus packs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1.2</td>
<td>9</td>
<td>26</td>
<td>1</td>
<td>36</td>
</tr>
<tr>
<td>1.2-3.2</td>
<td>9</td>
<td>6</td>
<td>9</td>
<td>42</td>
</tr>
<tr>
<td>3.2-5</td>
<td>2</td>
<td>14</td>
<td>11</td>
<td>27</td>
</tr>
<tr>
<td>Above 5</td>
<td>5</td>
<td>16</td>
<td>2</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>62</td>
<td>4</td>
<td>105</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Null Hypothesis: There is no relationship between annual income and the preference of promotion activities.
Alternative Hypothesis: Where is relationship between annual income and the preference of promotion activities.
Level of Significance: 5% level of significance
Interpretation: The calculated value is 24.99 for 5% level of significance is 12.59. Thus calculated value is greater than the tabulated value. The null hypothesis is rejected and the alternative hypothesis i.e., there is relationship between annual income and the preference of promotion activity, is accepted.

Chi-square test to find out the relationship between the type of promotion preferred and the frequency of shopping

Table-20

<table>
<thead>
<tr>
<th>Promotion</th>
<th>Everyday</th>
<th>2-4 times a week</th>
<th>Once in a month</th>
<th>Once in a year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupons</td>
<td>6</td>
<td>2</td>
<td>8</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Price-offs</td>
<td>3</td>
<td>1</td>
<td>14</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td>Bonus Packs</td>
<td>1</td>
<td>2</td>
<td>16</td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>Contests</td>
<td>2</td>
<td>2</td>
<td>23</td>
<td>14</td>
<td>41</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12</td>
<td>7</td>
<td>61</td>
<td>25</td>
<td>105</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Null Hypothesis: There is no relationship between the type of promotion preferred and the frequency of shopping.
Alternative Hypothesis: There is relationship between the type of promotion preferred and the frequency of shopping.
Level of Significance: 5% level of significance
Interpretation: The calculated value is 15.3 for 5% level of significance is 16.92. Thus calculated value is less than the tabulated value. The alternate hypothesis is rejected and the null hypothesis i.e., there is no relationship between the type of promotion preferred and the frequency of shopping, is accepted.

Chi-square test to find out the relationship between the annual income of the customers and the frequency of their shopping

Table-21

<table>
<thead>
<tr>
<th>Annual Income (in Lakhs)</th>
<th>Everyday</th>
<th>2-4 times a week</th>
<th>Once in a month</th>
<th>Once in a year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1.2</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>1.2-3.2</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>3.2-5</td>
<td>1</td>
<td>7</td>
<td>21</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Above 5</td>
<td>2</td>
<td>10</td>
<td>26</td>
<td>0</td>
<td>38</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3</td>
<td>17</td>
<td>55</td>
<td>30</td>
<td>105</td>
</tr>
</tbody>
</table>

Note: 5% level of significance
Sources: Authors Compilation

Interpretation: The calculated value is 76.22 where as the tabulated value for (r-1) (c-1) i.e., (4-1) (4-1) for 5% level of significance is 16.92. Thus calculated value is greater than the tabulated value. The null hypothesis is rejected and the alternative hypothesis i.e., there is relationship between the annual income of the customers and the frequency of their shopping, is accepted.

Chi-square test to find out the relationship between the customer service and overall satisfaction

Table-22

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>Good</th>
<th>Average</th>
<th>Bad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>21</td>
<td>15</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>Satisfied</td>
<td>22</td>
<td>11</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>14</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>0</td>
<td>1</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>0</td>
<td>2</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>45</td>
<td>43</td>
<td>37</td>
<td>105</td>
</tr>
</tbody>
</table>

Note: 5% level of significance
Sources: Authors Compilation
Interpretation: The calculated value is 102.19, for 5% level of significance is 15.51. Thus calculated value is greater than the tabulated value. The null hypothesis is rejected and the alternative hypothesis i.e., there is relationship between the customer service and overall satisfaction, is accepted.

Chi-square test to find out the relationship between the annual income of the customers and the amount spent on kid’s products

Table-23

<table>
<thead>
<tr>
<th>Annual Income (in Lakhs)</th>
<th>Below Rs. 500</th>
<th>Rs. 500 - Rs. 1000</th>
<th>Rs. 1000 - Rs. 2500</th>
<th>Above Rs. 2500</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1.2</td>
<td>12</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>1.2-3.2</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>3.2-5</td>
<td>3</td>
<td>7</td>
<td>12</td>
<td>7</td>
<td>29</td>
</tr>
<tr>
<td>Above 5</td>
<td>2</td>
<td>6</td>
<td>13</td>
<td>15</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>23</td>
<td>30</td>
<td>27</td>
<td>105</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation: The calculated value is 33.25, for 5% level of significance is 16.92. Thus calculated value is greater than the tabulated value. The null hypothesis is rejected and the alternative hypothesis i.e., there is relationship between the annual income of the customers and the amount spent on kid's products, is accepted.

FINDINGS, SUGGESTIONS AND CONCLUSIONS

Findings

- 22% of them shop every day, 17% shop 2-4 times a week, 52% shop once in a month and 9% shop once in a year.
- 50% of the customers are excellently influenced by the communication tools like TV, newspaper, Internet and so on.
- 68% of the respondents are likely to suggest the store to their friends and 23% have good likelihood to suggest the store to friends.
- 12% of customers like coupons as promotions, 36% like Bonus packs, 41% like price-offs and only 10% like contests
- 80% of the respondents would repurchase from the store.
- 22% of customers like the ambience of the shop, 26% like the products, 42% like customer service, 10% like promotions and events.
- 22% of the customers learned about the store through TV, 16% through newspapers, 20% through internet and 42% through friends.
- 85% of the customers liked the advertisements and 15% did not feel the advertisement appealing as it was not attractive.
- 63% of the respondents liked to bring the kids when they come for shopping and 37% do not like to bring their kids because they get attracted by the products available and ask for so many things to be bought.
- 57% of the customers were comfortable with the accessibility of the store and 23% were not comfortable with the accessibility of the store as they felt the store was too far from the center of the city and was not located on the main road itself.
- 41% of the customers were highly satisfied for the value they got for the money spent. 16% were satisfied, 20% were neutral, 16% of the customers were not satisfied and 7% were highly dissatisfied.
- 50% of the customers were highly satisfied with the product availability, 23% were satisfied and 7% were not satisfied as they did not get the product they were looking for.
- 64% of the customers were highly satisfied with the customer service and 18% were satisfied and 7% were not satisfied with the customer service.
- 43% of the customers likes the layout and the ambience of the store and around 28% did not like the ambience and layout.
- 65% of the customer liked the store overall and around 27% were not satisfied with the store.
- The chi-square analysis of Annual income and preference of promotion activity shows that there is relationship between Annual income and preference of promotion activity.
- The chi-square analysis of promotion and frequency of shopping shows that there is no relationship between the type of promotion preferred and the frequency of shopping.
- The chi-square analysis of annual income and frequency of shopping shows that there is relationship between the annual income of the customers and the frequency of their shopping.
- The chi-square analysis of customer service and overall satisfaction shows that there is relationship between the customer service and overall satisfaction.
The chi-square analysis of annual income and amount spent on kid’s product shows that there is relationship between the annual income of the customers and the amount spent on kid’s products.

**SUGGESTIONS**

After detailed analysis of the data collected through questionnaire, the following suggestions can be made:

- Promotions influence the customers a lot in making them shop for more money and also more frequently. Promotion activities like giving gift coupons, scratch cards, Mega prizes and fun events can be organized to improve sales.
- Since very few customers have stated that they like the ambience of the store, it can be improved to make the customer return to the store to shop more.
- More advertisement can be done in TV. The advertisement has to made more appealing by making it more attractive and also by highlighting the advantages of shopping in LifeStyle.

**CONCLUSIONS**

According to the findings it is clear that the customers are satisfied with the current level of customer service. It is also seen that customers not only give importance to factors like Brand and Price but to also things like the layout and the ambience of the store and the way the products are organized in the store. By remembering the facts that the customers have stated as important for shopping, Lifestyle has to learn and grow continually in order to retain the market place and also to improve their sales. Even though most of the store’s customers are getting good service, the store has to rejuvenate the existing facilities to make a foot hold in retailing industry.

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A COMPARATIVE ANALYSIS OF BANKING FUND WITH SPECIAL REFERENCE TO RELIANCE MUTUAL FUND

M. Siva61 V. Sridhar62 R. Ramesh63

ABSTRACT
The project was done on “A Comparative Analysis of Banking Fund with Special Reference to Reliance Mutual Fund”. The main objective of this analysis is to evaluate the investment performance of mutual fund schemes in term of risk and return and to examine the fund sensitivity of the market fluctuations in term of beta. The Research Methodology is done to have detail analysis on the different mutual fund. The research design is Analytical research & Secondary Data collected from the journals, magazines, and internet. The Financial tools are used like Risk Analysis, Sharpe Ratio, Treynor Ratio and Jensen Ratio. The research found that Sharpe Ratio of Reliance Mutual Fund is 1.792, UTI Mutual Fund is 2.708, ICICI Mutual Fund is 3.104, Religare Mutual Fund is 2.162 and Sahara Mutual Fund is 1.046. Thus, the study concludes that the Reliance Mutual Fund has less risky and less return schemes for investors and Its Performance is good when compared to other company.

KEYWORDS
Group of Investors, Capital Gains, Banking Fund, Market Fluctuation etc.

INTRODUCTION
A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as equities, debentures and other securities. The income earned through these investments and the capital appreciation realized (after deducting the expenses and profits of mutual fund managers) is shared by its unit holders in proportion to the number of units owned by them. Thus, a Mutual Fund strives to meet the investment needs of the common person by offering him or her opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost. The small savings of all the investors are put together to increase the buying power and hire a professional manager to invest and monitor the money. Anybody with a surplus of as little as a few thousand rupees can invest in Mutual Funds.

Working of Mutual Fund

Figure-1

HOW A MUTUAL FUND WORKS

Your Money...

Joins a huge pool of money invested by other shareholders

Fund earnings and gains are distributed to shareholders or reinvested

They purchase a diversified portfolio of securities for the fund

Is managed by professionals

Sources: Authors Compilation

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Mutual funds can be done depending upon various factors and variables, such as, maturity period, investment objectives etc. A mutual fund can be classified into close-ended or open-ended scheme depending upon its maturity period.

Causes for Poor Performance of Mutual Funds

There are many reasons that have been identified by researchers for the relatively poor performance of mutual funds industry the world over. They are as follows:

- Expensive securities to be brought as part of portfolio buildup of mutual funds, thus increasing the overall costs and thus reducing the returns.
- Reduced returns because of superfluous diversification.
- Poor use of macroeconomic forecast like gross national product, disposable income, forecast of activities of various industries, unemployment rate, inflation rate, interest rate, RBI guidelines, corporate profit, etc.
- Poor use of investment alternatives.

OBJECTIVES OF STUDY

- To compare and analyze reliance banking fund with other company is banking fund with special reference to reliance mutual fund.
- To evaluate the investment performance of mutual fund schemes in term of risk and return.
- To examine the fund sensitivity to the market fluctuation in term of beta.
- To analysis the performance of different mutual fund schemes.

NEED FOR THE STUDY

Mutual fund now represents Perhaps the most appropriate investments opportunity for most small investors. A mutual fund uses the money collected from investors to buy their assets, which are specially permitted by its stated investment objective. To evaluate the needs and requirements of investors of mutual funds scheme and to create awareness over the existing and new schemes that can be offered to investors, to know the perception of investors in understanding the way of investments in mutual funds. In India mutual fund is constituted as a “Trust” and the investors the subscribes “units” issued by the fund, hence the term unit trust comes into the picture

REVIEW OF LITERATURE

Review-1

Nidhi Walia, “An Analysis of Investor’s Risk Perception towards Mutual Fund Services”, Akhilendra K. Singh and A. P. Singh Publication, pp. 198, describes that, Huge literature available on predicting stock market returns has proved that generally investors think high past stock market return predict high future return (De Bond, 1993) even though there is no support for such belief in the data (Fama 1988). Further, evidence by Fisher and Statman (2000) have shown that individual investor’s stock market return expectations are positively correlated with past returns. Risky portfolio yields higher return. Although majority of investors who invest in mutual fund themselves are not clear with the objective and constraints of their investment but in addition to this most important critical gap that exist in this process is lack of awareness about presence of risk elements in mutual fund investment. While one cannot completely avoid risks, one can take a number of steps to manage and minimize them.

Review-2

Stephen Rabin and Doubleday, “The Internet as a Source of Mutual Fund Information”, The Investment Solution Institute (ISI), Dec 2011, describes that, In a remarkably short period, the Internet has transformed and accelerated the collection and distribution of information. For many, the Internet is now the preferred communications medium for sending and receiving information. The Internet’s effect on ‘individuals’ communication preferences is particularly evident with regard to how shareholders want to obtain mutual fund information. Although Internet use began to accelerate only during the past few years, today about three in 10 recent fund investors prefer to have online access to the information they want before buying fund shares.

Review-3


- Investors consider a wide range of information before purchasing mutual fund shares. They most frequently review or ask questions about a fund’s fees, expenses, and its historical performance.
Shareholders consult a variety of sources for mutual fund information before and after purchasing shares, and one of these sources is usually a professional financial adviser. Shareholders primarily turn to advisers for assistance in understanding and interpreting fund information.

Shareholders look for concise investment information and, where possible, graphic presentations. Most shareholders do not consult fund prospectuses or annual reports documents that contain specific information required by the U.S. Securities and Exchange Commission (SEC). They find these documents too long and difficult to understand.

Overall, shareholders embrace the Internet. Regardless of their age, a majority of recent fund investors regularly goes online and uses the Internet for a variety of financial purposes. Shareholders today use the Internet to manage their finances, gather investment information, and monitor their fund portfolios. Consequently, the Internet has great potential for more effectively communicating mutual fund information to investors.

**RESEARCH METHODOLOGY**

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It is necessary for the researcher to know not only the research methods/techniques but also the methodology. Research methodology not only talks of the research methods but also consider the logic behind the methods used in the context of our research study.

**Research Design**

Analytical research is used in this study because it will ensure the maximization of reliability of data collected and minimization of bias. The researcher had to use the facts and information already available in financial statements of earlier years and analyze these to make critical evaluation of available material. From the study, the type of data to be collected and the procedure to be used for this purpose were decided.

**Data Collection Method**

**Sources of Information**

The total data required for the study is secondary data. The Secondary data are collected from the Financial Department. The data of different mutual fund company is collected from their company magazines and from internet.

**Research Tool**

1. **Risk Analysis**
   - **A)** Variance and Standard Deviation \( \sigma^2 = \sum_{i=1}^{n} (R_i - \bar{R})^2/[n - 1] \)
   - **B)** Beta
     \[
     \beta = \frac{n \sum xy - [\sum x \sum y]}{n \sum x^2 - (\sum x)^2}
     \]

2. **Sharpe Ratio**
   
   In this model, performance of a fund is evaluated based on Sharpe Ratio, which is a ratio of returns generated by the fund over and above risk free rate of return and the total risk associated with it. It can be written as Sharpe Ratio = \( \frac{R_p - R_f}{\sigma_p} \)

3. **Treynor Ratio**
   
   Treynor Ratio is the ratio of reward and risk premium to the return as measured by \( \beta \). The fund’s performance is measured in relation to the market performance. Treynor Ratio = \( \frac{R_p - R_f}{\beta} \)

4. **Jensen ratio**
   
   Jensen Ratio is measure of absolute performance because a definite standard is set and against that, the performance is measured. Jensen Ratio = \( R_p - (R_f + \beta (R_m - R_f)) \)
DATA ANALYSIS AND INTERPRETATION

Table-1: Asset Allocation of Reliance Mutual Fund

<table>
<thead>
<tr>
<th>Asset</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>97.52</td>
</tr>
<tr>
<td>Debt</td>
<td>4.15</td>
</tr>
<tr>
<td>Cash &amp; Cash Equity</td>
<td>-1.67</td>
</tr>
<tr>
<td>Commodities</td>
<td>0</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Inference: From the above table, it is inferred that Reliance Mutual Fund has 97.52% of Asset Allocation in Equity, 4.15% in Debt, -1.67% in Cash & Cash Equity and 0% in Commodities.

Table-2: Sector Weightage of Reliance Mutual Fund

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>96.98</td>
</tr>
<tr>
<td>Healthcare</td>
<td>0.48</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Inference: From the above table, it is inferred that, Reliance Mutual Fund has 96.98% of Weightage Financial Sector and 0.48% in Health Care.

UTI Mutual Fund

Table-3: Risk Analysis of UTI Mutual Fund

<table>
<thead>
<tr>
<th>Month</th>
<th>Return (Y)</th>
<th>Market Return(CNX) (X)</th>
<th>X^2</th>
<th>Y^2</th>
<th>XY</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>-1.45</td>
<td>-0.28</td>
<td>0.077</td>
<td>2.090</td>
<td>0.401</td>
</tr>
<tr>
<td>May</td>
<td>-7.87</td>
<td>-8.40</td>
<td>70.535</td>
<td>62.013</td>
<td>66.137</td>
</tr>
<tr>
<td>June</td>
<td>12.51</td>
<td>11.58</td>
<td>134.062</td>
<td>156.511</td>
<td>144.852</td>
</tr>
<tr>
<td>July</td>
<td>-1.11</td>
<td>-0.27</td>
<td>0.073</td>
<td>1.224</td>
<td>0.299</td>
</tr>
<tr>
<td>August</td>
<td>-5.06</td>
<td>-4.12</td>
<td>16.982</td>
<td>25.586</td>
<td>20.845</td>
</tr>
<tr>
<td>September</td>
<td>16.16</td>
<td>14.99</td>
<td>224.804</td>
<td>261.155</td>
<td>242.299</td>
</tr>
<tr>
<td>October</td>
<td>-1.29</td>
<td>-1.33</td>
<td>1.763</td>
<td>1.659</td>
<td>1.710</td>
</tr>
<tr>
<td>November</td>
<td>6.81</td>
<td>7.46</td>
<td>55.618</td>
<td>46.347</td>
<td>50.771</td>
</tr>
<tr>
<td>December</td>
<td>3.91</td>
<td>3.06</td>
<td>9.362</td>
<td>15.284</td>
<td>11.962</td>
</tr>
<tr>
<td>January</td>
<td>11.01</td>
<td>0.43</td>
<td>0.185</td>
<td>121.327</td>
<td>4.740</td>
</tr>
<tr>
<td>February</td>
<td>-10.21</td>
<td>-8.88</td>
<td>78.779</td>
<td>104.211</td>
<td>90.607</td>
</tr>
<tr>
<td>March</td>
<td>-1.84</td>
<td>-1.54</td>
<td>2.385</td>
<td>3.373</td>
<td>2.836</td>
</tr>
<tr>
<td>Total</td>
<td>21.59</td>
<td>12.71</td>
<td>594.625</td>
<td>800.778</td>
<td>637.458</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Beta Calculation

\[
\beta = \frac{[n \sum XY - \sum X \sum Y]}{[n \sum (X)^2 - (\sum X)^2]}
\]

\[
\beta = \frac{[(12 \times 637.458) - (12.71 \times 21.59)]}{[(12 \times 594.625) - (12.71)^2]}
\]

\[
\beta = 1.058
\]

Inference: It is inferred that, Systematic Risk of the UTI Mutual Fund is 1.058.
Standard Deviation Calculation

(a) Standard Deviation of Fund

\[
\sigma_p = \sqrt{\frac{[n \sum(Y)^2 - (\sum Y)^2]}{(n)^2}}
\]

\[
\sigma_p = \sqrt{\frac{[(12 \times 800.778) - (21.59)^2]}{(12)^2}} = 7.968
\]

(b) Standard Deviation of Market

\[
\sigma_p = \sqrt{\frac{[n \sum(X)^2 - (\sum X)^2]}{(n)^2}}
\]

\[
\sigma_p = \sqrt{\frac{[(12 \times 594.625) - (12.71)^2]}{(12)^2}} = 6.959
\]

**Inference:** It is inferred that, Risk of investing in UTI Mutual Fund is 7.968 and Risk of investing directly in market is 6.959.

**Sharpe Ratio**

Sharpe Ratio of ICICI Mutual Fund = \( \frac{R_p - R_f}{\sigma_p} = \frac{(18.89 - 0.008)}{6.084} = 3.104 \)

Sharpe Ratio of UTI Mutual Fund = \( \frac{R_p - R_f}{\sigma_p} = \frac{(21.59 - 0.008)}{7.968} = 2.708 \)

Sharpe Ratio of Religare Mutual Fund = \( \frac{R_p - R_f}{\sigma_p} = \frac{(13.45 - 0.008)}{6.217} = 2.162 \)

Sharpe Ratio of Reliance Mutual Fund = \( \frac{R_p - R_f}{\sigma_p} = \frac{(12.43 - 0.008)}{6.93} = 1.792 \)

Sharpe Ratio of Sahara Mutual Fund = \( \frac{R_p - R_f}{\sigma_p} = \frac{(7.54 - 0.008)}{7.208} = 1.046 \)

**Inference:** It is inferred that Sharpe Ratio of ICICI Mutual Fund is 3.104, UTI Mutual Fund is 2.708, Religare Mutual Fund is 2.162 Reliance Mutual Fund is 1.792 and Sahara Mutual Fund is 1.046

**JENSEN RATIO**

Jensen Ratio of Reliance Mutual Fund = \( R_p - (R_f + \beta (R_m - R_f)) \)

\[= 12.43 - (0.008 + 0.97(12.71 - 0.008)) \]

\[= 0.056 \]

Jensen Ratio of UTI Mutual Fund = \( R_p - (R_f + \beta (R_m - R_f)) \)

\[= 21.59 - (0.008 + 1.058(12.71 - 0.008)) \]

\[= 8.149 \]

Jensen Ratio of ICICI Mutual Fund = \( R_p - (R_f + \beta (R_m - R_f)) \)

\[= 18.89 - (0.008 + 0.872(12.61 - 0.008)) \]

\[= 7.890 \]
Jensen Ratio of Religare Mutual Fund =  \( R_p - (R_f + \beta (R_m - R_f)) \)

= 13.45 - (0.008 + 0.875(12.71 - 0.008))

= 2.325

Jensen Ratio of Sahara Mutual Fund =  \( R_p - (R_f + \beta (R_m - R_f)) \)

= 7.54 - (0.008 + 1.025(12.71 - 0.008))

= -5.478

**Inference:** It is inferred that Jensen Ratio of Reliance Mutual Fund is 0.056, UTI Mutual Fund is 8.149, ICICI Mutual Fund is 7.890, Religare Mutual Fund is 2.325 and Sahara Mutual Fund is -5.478.

**FINDINGS**

It is inferred that Reliance Mutual Fund has 97.52% of Asset Allocation in Equity, 4.15% in Debt, -1.67% in Cash & Cash Equity and 0% in Commodities. It is inferred that, Reliance Mutual Fund has -37.84% of annual return during 2008-09, 82.89% during 2009-10, 46.08% during 2010-11, -31.98% during 2011-12 and 60.52% during 2012-13.

It is inferred that, UTI Mutual Fund has 100.18% of asset allocation in equity, 0.09% in debt, -0.27% in Cash & Cash Equity, and 0% in Commodities. It is inferred that, UTI Mutual Fund has -45.81% of annual return during 2008-09, 77.75% during 2009-10, 36.48% during 2010-11, -32.58% during 2011-12 and 58.69% during 2012-13. It is inferred that, ICICI Mutual Fund has 96.78% of asset allocation in equity, 0% in debt, 3.22% in Cash & Cash Equity, and 0% in Commodities. It is inferred that, ICICI Mutual Fund has 0% of annual return during 2008-09, 77.59% during 2009-10, 32.78% during 2010-11, -31.61% during 2011-12 and 72.21% during 2012-13. It is inferred that, Religare Mutual Fund has 98.79% of asset allocation in equity, 0% in debt, 1.21% in Cash & Cash Equity, and 0% in Commodities. In Comparative Analysis of Mutual Funds, it is inferred that UTI Mutual Fund has 1st ranked, ICICI Mutual Fund has ranked 2nd, Religare Mutual Fund has ranked 3rd and Reliance Mutual Fund has ranked 4th, and Sahara Mutual Fund has ranked 5th.

**SUGG ESSIONS**

The company can concentrate more in the banking sector to get high returns in the coming years. Program may be conducted to build the awareness among the people about mutual fund products & its services. This could be done based on the investment objective. The company can provide a good set of research report, so that the investors can make better decisions regarding investing preferences. The Prospective people such as professionals, public and private employment institutional and the retired people can be explained about the benefits of mutual funds, because they are less aware of other investment options available in the market. Reliance Mutual Fund can start a campaign to educate the investors and there is a need of advertisement also to attract the investors.

**CONCLUSION**

The performance of Reliance Mutual Fund is improving and the annual return of the company is in good shape. The Net Asset Value (NAV) of different schemes have been considered to calculate the returns and it can be improved to satisfy the investors in the company. The performance of the various mutual funds were evaluated on the basis of Sharpe, Treynor, and Jensen’s measure whose results will be useful for investors for taking better investment decisions. Thus, the Reliance Mutual Fund has less risky and less return schemes for investors. The Performance of Reliance Mutual Fund is good when compared to others. If the above suggestions are implemented, the Reliance Mutual Fund can improve its annual return further.

**REFERENCES**

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FINANCIAL INCLUSION AND CHALLENGES FACED: AN ANALYTICAL STUDY

Dr. Muniraju¹ Dr. R. Sarwamangala²

ABSTRACT

Financial inclusion is the delivery of financial services at affordable cost to the vast sections of the vulnerable, disadvantaged and low-income groups. The financial exclusion is serving as regressive growth index on the part of the poor’s and vulnerable in the society. Until 2011, only 58.7% of the households availed banking services in India and in the rural areas, the number remains low as 54.4%.

There is a greater need to check that growth is not skewed and all sections of the society should be benefited. When certain sections of the society are bypassed, there emerges a threat for the sustainability of growth process (Puthak, 2011). It is shocking to know that a large amount of people still fall under BPL who do not have access to financial services. An attempt is made in this paper to know the significance of inclusions growth, challenges faced in the study area and drivers of financial inclusion. The study is only confined to urban Bengaluru.

KEYWORDS

Flagship Programme, Social Safety Nets, Ethics, Disparity, Financial Exclusion etc.

INTRODUCTION

Financial inclusion helps the poor to pool up their hard-earned money, avail credit, insure themselves and meet any emergencies arising out of illness or loss of employment. Mahatma Gandhi National Rural Employment Generation Scheme (MGNREGA) is one of the largest social safety networks in India, has improved the standard of living of people of India and has been able to check migration effectively.

Apart from this GOI has launched various flagship programmes like Sarva Shiksha Abhiyan (SA), National Rural Health Mission (NRHM) Bharath Nirman etc., to bring about improvement in the area of education, health and infrastructure, thereby making growth more inclusive. The recent announcement of prime minister’s Jan Dhan Yojana (PMJDY) is a step in this direction of creating massive awareness through electronic and print media. The PMJDY is getting momentum and in first few months of its successful implementation, a record number of accounts, have been opened.

Researchers and economic planners across the globe are worried about existence of uneven growth and associated by rising income equality. The disadvantaged groups including members of ethnic group minorities, people residing in remote areas of rural side and vulnerable including women who are suffering from lack of empowerment and gender discrimination have not benefited until today from the rapid economic growth. This exclusion requires an urgent redressal in the interest of equality among the people and region.

The period 2004-2009 witnessed not only a rapid growth but also a rise in inequality rural and urban as well as regional inequality. Government of India declared achievement of faster and more inclusive growth. Inclusive growth continued to be the focal point of 12th FYP. Financial inclusion refers to the attempt of ensuring financial access services for all people in the society without any discrimination.

REVIEW OF LITERATURE

A study by Majumdar and Gupta (2013) showed that it is the higher class of society who actually benefit from the schemes implemented. Hence, it is necessary to study the socio economic structure of a place before implementing any such schemes.

Ananth and Oncu (2013) expressed that banks need to look financial inclusion not as a capital expense or charitable expense, but as long-term investment.

Kumar (2013) highlighted that increase in bank branch network has a beneficial impact of deposit and credit penetration.

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Suresh Chandra Bihari (2011) revealed that the banks would have to evolve specific strategies to expand the outreach of their services in order to promote financial inclusion.

Berg et al. (2011). Kraay, (2004) have stated that in order for growth to be sustainable and effective in poverty reduction, it needs to be inclusive.

**OBJECTIVES OF THE STUDY**

The present study considers the following objectives:

- To understand the significance of inclusive growth.
- To study the determinants of inclusive growth.
- To know the challenges of implementing inclusive growth of India.

**HYPOTHESES**

- There is no significance to the inclusive growth.
- There exist no drivers / determinants of inclusive growth.
- There are no challenges that are faced at the time of implementing inclusive growth.

**RESEARCH METHODOLOGY**

The present study is based on both primary data and secondary sources. A well-designed questionnaire drafted in English was administered as schedule taking into account of time constraint and non-response. A sample of 300 respondents were thought fit for the present study and it was planned only to cover Bengaluru. There was no problem raised in the process of data collection because of nativity and familiarity with the local language. In order to give a scientific touch to the data quantitative metrics like ANOVA has been used. ANOVA calculated based on data presented by means of Likert 5 point scale.

**CONCEPT FINANCIAL INCLUSION: DEFINED**

The aim of financial inclusion is to see that a varied range of financial services is available to every individual in the society. Besides the regular form of financial intermediation, it may include a basic no frill banking account for making and receiving payments, a saving product designed to suit the need and composition of household, money transfer facilities, microloans etc., In a narrower sense financial inclusion refers to offer any one of the above but a comprehensive financial inclusion would to provide a holistic bundle of services covering the above one and all.

As per the Rangarajan Committee Report (2008) on financial inclusion is defined “as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.”

**IMPORTANCE OF THE STUDY**

The significance of inclusive growth can be listed as below:

- A continuous rejection of inequalities is danger from the point of view of social peace and unemployed may force or attracted by criminal activities, make women more worst and push them to prostitution. This results in wasting valuable human resources that could be otherwise employed positively.
- The ethical angle view says that the economic gains should be fairly shared amongst all sections of the society without ignoring the poor and vulnerable and sharing of economic gains must be inclusive across the globe amongst different cross sections of people. Economic turbulences create shocks and panic among the poor and weaker sections and their growth results in highest disparity, which is not acceptable.
- Despite a good progress in tackling extreme poverty and good growth rates globally and within many developing countries, persisting poverty remains a pertinent issue. In 2011, 1.2 billion people were living less than $ 1.25 per day, equivalent to 24% of world’s population.
- The growth composition of late also presented some problems. Agriculture has growth very slowly from 9th FYP onwards and this has hindered the rural urban divide and contributed to the extreme distress in some rural areas. Economic growth is not uniform in all the regions and some regions yet to experience any significance growth.
The continuous existence of allowing disparities among cross sections of global population may result in civil unrest and may end in raising level of violence. This may further create political unrest.

The major constraint for increasing access to financial services are transaction costs, price and production risks, limited assets, legal, regulatory, seasonal demand for smaller loans. It is shocking to know that a large amount of people below the poverty line do not have access to financial services. Large numbers of branches were opened by banks in the rural areas, without appropriate credit policy.

**SURVEY FINDINGS**

Table-1 highlights about determinants of financial inclusion in the study area. Factors driving financial inclusion are measured in terms of varying between number of bank branches to creation of awareness among needy and vulnerable in the society. Out of 300 sample respondents, 170 forming 56.67% strongly agreed over the stated variables influencing financial inclusion. Out of 170 respondents 32 felt that kind of financial services influences very much on financial inclusion programme and 30 said creation of awareness is another powerful driver of financial inclusion programme. Others follow these two drivers and mainly among them are average population per branches 25, and branches 22 and households availing access to banks. 50 respondents 16.67% stood as either neutral, disagree or strongly disagree. ANOVA accept the null hypotheses.

Table-2 reveals about challenges that are faced at the time of implementing financial inclusion programme. These challenges are varying from lack of understanding financial products and their marketing to lack of environmentalism geographical access, affordability and cultural and psychological fear. Out of 300 sample respondents 180 strongly agreed, 88 agreed and the reminder 32, may be either neutral nor disagree or strongly disagree. Out of 180 respondents who have strongly agree over the challenge factors, 42 expressed the challenge of lack of understanding, 40 lack of environmentalism and others, and 38 said about the challenges of high cost. The ANOVA analysis clearly fails to accept the null hypotheses.

**CONCLUSION**

The main objective of the paper was to understand significance determinants and challenges faced pertaining to financial inclusiveness. Delivering financial services to all sections of the society will remain as a challenge that banks in India will face over next few years. The literate population must be created in order to create a meaningful financial inclusive programme for the poor and deserved. The widespread disparity also exists in accessing banking services between rural and urban centers. Before embarking any meaningful financial inclusion programmes the government should study the issue in various angles and successful strategies must be implemented in order to reduce the poverty disparity between the rich and poor and immediate attention should be given to the development of rural areas as they are neglected so far from financial inclusion programmes.

**REFERENCES**


9. Retrieved from [http://sabisave.co.in/?p=mkio&pg=kio](http://sabisave.co.in/?p=mkio&pg=kio)
APPENDIX

Table-1: Determinants of Financial Inclusion

<table>
<thead>
<tr>
<th>Factors Driving Financial Inclusion</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>DA</th>
<th>SDA</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of bank branches</td>
<td>22</td>
<td>10</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>39</td>
</tr>
<tr>
<td>Average population per branch</td>
<td>25</td>
<td>9</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>40</td>
</tr>
<tr>
<td>Bank services in rural areas</td>
<td>18</td>
<td>8</td>
<td>23</td>
<td>3</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Rural and urban divide</td>
<td>21</td>
<td>13</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>41</td>
</tr>
<tr>
<td>Households availing access to banks</td>
<td>22</td>
<td>12</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>41</td>
</tr>
<tr>
<td>Kind of financial products service</td>
<td>32</td>
<td>12</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>53</td>
</tr>
<tr>
<td>Creation of awareness among needy and vulnerable in the society</td>
<td>30</td>
<td>15</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>170</td>
<td>80</td>
<td>15</td>
<td>21</td>
<td>14</td>
<td>300</td>
</tr>
</tbody>
</table>

Source: Primary Data
Note: SA - Strongly Agree, A - Agree, N - Neutral, DA – Disagree, SDA - Strongly Disagree
Hypotheses

H0: There exists no determinant of financial inclusion
Reject

H1: There exists determinant of financial inclusion
Accept

ANOVA Table

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>d.f.</th>
<th>MS</th>
<th>F-ratio</th>
<th>5% F limit (From F table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Sample</td>
<td>2593.2292</td>
<td>(5-1 = 4)</td>
<td>648.3073/4</td>
<td>7.2746</td>
<td>F (4, 30) = 2.69</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>648.3073</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within Sample</td>
<td>218.2408</td>
<td>(35-5 = 30)</td>
<td>218.2408/30</td>
<td>7.2746</td>
<td>F (4, 30) = 2.69</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.2746</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2811.47</td>
<td>(35-1) = 34</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ANOVA Analysis

The above ANOVA table reveals that the F-calculated value being 89.1193 being higher than TV = 2.69 at d.f.: v1 = 4 and V2 = 30 @ 5% level of significance accepts the null hypotheses. Therefore, we may conclude there exists financial inclusion determinants in the study area.

Table-2: Challenges of Financial Inclusion

<table>
<thead>
<tr>
<th>Challenges Faced</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>DA</th>
<th>SDA</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of understanding financial products &amp; their marketing</td>
<td>42</td>
<td>18</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>68</td>
</tr>
<tr>
<td>The challenge of High cost</td>
<td>38</td>
<td>16</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>59</td>
</tr>
<tr>
<td>The Behavioural aspect</td>
<td>28</td>
<td>15</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>51</td>
</tr>
<tr>
<td>Financial exclusion &amp; consequent result</td>
<td>32</td>
<td>18</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>55</td>
</tr>
<tr>
<td>Lack of environmentalism, geographical access, affordability, suitability &amp; cultural and psychological fear</td>
<td>40</td>
<td>21</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>67</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>88</td>
<td>7</td>
<td>15</td>
<td>10</td>
<td>300</td>
</tr>
</tbody>
</table>

Sources: Primary Data
Note: SA - Strongly Agree, A - Agree, N - Neutral, DA – Disagree, SDA - Strongly Disagree

Hypotheses

H0: Challenges are not existing in the inclusive growth programme implementation
Reject

H1: Challenges are existing in the inclusive growth programme implementation
Accept

ANOVA Table

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>d.f.</th>
<th>MS</th>
<th>F-ratio</th>
<th>5% F limit (From F table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between sample</td>
<td>4503.6</td>
<td>(5-1 = 4)</td>
<td>1125.9/7.94</td>
<td>141.80</td>
<td>F (4, 30) = 2.87</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within Sample</td>
<td>158.8</td>
<td>(25-5 = 20)</td>
<td>158.8/20</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4662.4</td>
<td>(25-1) = 24</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ANOVA Analysis

The above ANOVA table reveals that F calculated value being 141.80 higher than the TV = 2.87 with d.f. V1 = 4 and V2 = 20 @ 5% level of significance fails to accept the null hypotheses and accepts the alternative.
EMPIRICAL STUDY OF STOCK PRICE MOVEMENTS OF INDIAN IT SECTOR THROUGH TECHNICAL ANALYSIS

Dr. Parul Khanna¹ Heena Basra⁴

ABSTRACT

Technical Analysis is the projection of future stock prices and market directions based on an assessment of historical price movements. It helps to identify future trends and movements in short term through the charts recognition, technical and statistical tools. This paper attempts to analysis and predict the movements of share prices Indian IT sector through the various tools of technical analysis. These studies also assess the correlation and volatility level of particular IT stock with the market benchmark index CNXIT. The study is based on closing prices of five IT stocks that were selected based on highest market capitalization. This study will be beneficial for the investors who want to invest in IT sector and have not deep knowledge about the technical analysis. The study is concluded with an important finding that the Indian IT sector is growing very fast and it can become one of the best avenues for the investment in the Indian stock market.

KEYWORDS

Chart Patterns, RSI, Beta, CNX IT Index, IT Sector etc.

INTRODUCTION

Stock market is one of the most attractive investment options in present time. One needs adequate knowledge and skill if he/she wants to make money from out of this. Some features are required to take investment decisions like knowledge, projection, risk bearing, risk and return tradeoff etc. All it can be possible either through the deep study of underlying fundamental factors or through the study of historical data. When we study the historical data, it comes under the school of “Technical Analysis”.

Meaning of Technical Analysis

Technical Analysis is the projection of future stock prices and market directions based on an assessment of historical price movements. The future movements can be predicted through the statistical analysis of variables like trading volume, price changes, etc. (Hawker, 2004). It does not give absolute prediction of future but it assist to anticipate the future price movements. It does not give emphasis on the measurement of security’s intrinsic value, but helps to identify future trend and movement through the charts recognition, technical and statistical tools (Aurobinda Prasad, 2010). The primary concern of technical analysts is to study the historical data and to anticipate the future trends. In technical analysis, various trading rules and models are used based on the basis of price and volume changes such as recognition of chart patterns, market breadth, oscillators, relative strength index (RSI), moving averages, regressions, correlation, volatility etc.

Basis of Technical Analysis

The foundations underlying the technical analysis are described as follow:

- **Market action discounts everything**
  The basic assumption behind technical analysis is that the current price of a stock fully reflects all the fundamental factors and information related to it. Therefore, it reflects the fair value of a share and it should be the basis for analysis.

- **Prices move in trend**
  According to Dow Theory, the market always moves in trend. Trend can be upward, downward, flat and combination of these. Despite of minor deviations price may create definite patterns. The recognition and study of these patterns becomes the basis for predicting future directions.

- **History tends to repeat itself**
  The behavior of investors repeats itself so often. That is why it is recognizable and predictable with the help of various chart patterns. Proper recognition of these patterns can help the investors to decide the timings to enter and exit the market and to make profits. (Aswath Damodaran, 2012)

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²Assistant Professor, Rayat Bahra Institute of Management, Punjab, India, hina.basra@gmail.com
REVIEW OF LITERATURE

Nithya and Thamizhchelvan (2014) in their research have analyzed the importance of charting for forecasting the stock prices. It was the study of fifteen Indian banks where they concluded that proper analysis of charts could help an investor to take better investment decisions. Varshney (2014) concluded in her study about the importance of technical analysis in evaluation of current trend and risk associated with the stock for better investment. Sulistiawan and Hartono (2013) examined in their study that the retail investors could get benefit from the preannouncement of earnings with the help of technical analysis. Sabari and Parimala (2013) examined in their research work that technical analysis helps in determining the future levels by examining the historical movements and trading volumes of stocks and indices. Study shows the dominance of technical analysis over fundamental analysis for a short period. Vasantha, Dhanraj and Varadharajan (2012) analyzed the stock price movements by applying various technical tools and observed that the investment decision is based on the risk bearing capacity of the investors. Investors should use various indicators while taking the decision. Chitra (2011) observed that the fundamental analysis should also be used along with the technical analysis, as investors must be taken care of the various events like Union Budget, consolidation, spits, corporate results, political and social changes etc. and effect thereof before taking an investment decision. Ravindra and Wang (2006) examined in their research work about the relationship of trading volume with the stock prices in Asian markets. Covel (2005) advocates the use of technical analysis solely without analyzing any fundamental factor in the market by giving various examples of large and successful investments. W. LO, Mamaysky and Wang (2000) examined in their research work that the results of technical analysis could be more valid if we use mathematical and statistical techniques to analyze the data along with the chart patterns. Ping (1991) in his study observed that technical analysis helps to the important information regarding the timing of investment i.e. the entry and exit points. Eugene F. Fama (1965) has examined to what extend the historical data of a stock price can be used to make considerable predictions.

OBJECTIVES OF STUDY

The present study will focus on the following objectives:

- To predict the stock prices and future trends of selective IT stocks through chart patterns recognition.
- To identify the volatility level of the IT stocks with respect to CNXIT Index.
- To examine the relative strength index of IT stocks.

HYPOTHESES OF STUDY

- H01: There is no relationship between the share price of HCL and CNXIT price index.
- H02: There is no relationship between the share price of Infosys and CNXIT price index.
- H03: There is no relationship between the share price of TCS and CNXIT price index.
- H04: There is no relationship between the share price of TECHM and CNXIT price index.
- H05: There is no relationship between the share price of WIPRO and CNXIT price index.

RESEARCH METHODOLOGY

The present study is based on the Indian IT sector. The CNX IT index provides investors and market intermediaries with an appropriate benchmark that captures the performance of the Indian IT companies. The CNX IT Index comprises of 20 companies listed on the National Stock Exchange (NSE) and it is computed using free float market capitalization method.

The top five companies based on highest Market Capitalization are selected as the sample of the study.
Table-1: Selection of Indian IT Companies

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Company</th>
<th>Market Cap in Rs. Crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Tata Consultancy Services (TCS)</td>
<td>492,580.91</td>
</tr>
<tr>
<td>2.</td>
<td>Infosys</td>
<td>232,565.65</td>
</tr>
<tr>
<td>3.</td>
<td>Wipro</td>
<td>136,642.51</td>
</tr>
<tr>
<td>4.</td>
<td>HCL Technologies (HCL TECH)</td>
<td>131,292.40</td>
</tr>
<tr>
<td>5.</td>
<td>Tech Mahindra (TECHM)</td>
<td>59,688.18</td>
</tr>
</tbody>
</table>

Sources: Audited Financial Statements of the Companies

Sources of Data Collection

The study is based on secondary data and is collected from various websites like www.nseindia.com, www.moneycontrol.com, www.yahoofinance.in, textbooks and Journals.

Time: The research has been done on 244 trading days from January 1, 2014 to December 31, 2014.

Tools of Analysis

- **Chart Patterns**: Double & Multi Bottom, Ascending Tops & Bottoms, Support & Resistance.
- **Technical Indicators**: Volume
- **Mathematical Indicators**: RSI
- **Statistical Tools**: Correlation and Beta

DATA ANALYSIS AND INTERPRETATION

Chart-I: Yearly line chart of HCL TECH from January 01, 2014 to December 31, 2014

In the Chart-I, the stock of HCL is increasing along with high volume from Rs. 1260 to Rs. 1560 in the starting of the year. After these sharp moves, the stock took a breath that is indicated by formation of a continuation pattern in the shape of flag. After the completion of the pattern, it has broken the resistance level and higher tops and higher bottoms leading the stock to an upcoming bullish trend. At the end of the year, the minor corrections are there but with a strong support level of Rs. 1500. The investors are suggested to hold or go long in this stock because the bullish trend is expected to be continued in near future. The RSI of HCL TECH for the period January to December stood at 50.07. This indicates that this share is neither overbought nor oversold.
The chart pattern of Infosys (Chart-II) shows a mixed trend in the whole year. The stock tested new highs in the starting of the year. After that from March to July, it has traded in a small range with the resistance level of Rs. 1650. Then it has broken out the resistance level where higher tops and higher bottoms lead the stock towards the bullish trend. In the month of November, stock increased at new higher level along with the strong volume. The investors are suggested to buy this stock and remain in long position as the stock has a strong support level of Rs. 1890. The RSI of Infosys for the period January to December stood at Rs. 43.15. This indicates that this share is neither overbought nor oversold.

The Chart-III of TCS shows a bullish trend during the whole year. The script has a strong support level at Rs. 2030 and resistance level at Rs. 2280 for continuously five months. The high volume during this period is showing the interest of the investors in this...
script. After breaking the resistance level in the month of June, the flag pattern is formed that gives breathing space to the sharp moving market. It is giving an indication of continuation of previous (Bullish) trend. The RSI of TCS for the period January to December stood at 49.31. This indicates that this share is neither overbought nor oversold.

Chart-IV: Yearly line chart of TECH MAHIND from January 01, 2014 to December 31, 2014

In the Chart-IV of TECH Mahindra, there is strong support level of this script during the first five months of the year at Rs. 1700. At the starting of month of June, it has broken the resistance level and with high volume, a continuation pattern is formed in the shape of flag that has given brief pause to the sharp moving market. After the completion of the pattern, it has broken the upper point with strong volume that indicates the interest of the investors and strength of share. It is giving strong signals of upcoming bullish trend. The RSI of Tech Mahindra for the period January to December stood at 51.57. This indicates that this share is neither overbought nor oversold.

Chart-V: Yearly line chart of WIPRO from January 01, 2014 to December 31, 2014

Sources: Computation based on NSE Data
The Chart: V of WIPRO is showing a normal upward trend during the whole year. Basically, this is a range bound stock, which is trading between a price range of Rs. 480 and Rs. 620 during the whole year. Then after in July 2014 there are ascending tops and bottoms along with strong volume, indicating the upcoming bullish trend. The RSI of Wipro for the period January to December stood at 44.25. This indicates that this share is neither overbought nor oversold.

**Statistical Tools**

**Correlation (r) (Testing of Hypotheses)**

Table-2: Correlation between Share Prices of IT Companies and CNXIT Price Index

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>r value</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCL TECH</td>
<td>0.70</td>
</tr>
<tr>
<td>INFOSYS</td>
<td>0.41</td>
</tr>
<tr>
<td>TCS</td>
<td>0.80</td>
</tr>
<tr>
<td>TECHM</td>
<td>0.90</td>
</tr>
<tr>
<td>WIPRO</td>
<td>0.09</td>
</tr>
</tbody>
</table>

*Sources: Computation based on daily historical data form NSE website*

**Correlation of IT companies with CNXIT Index**

In Table-2, the correlation values of IT companies with relation to CNXIT are calculated with the help of daily closing prices of the stock. Results are showing that correlation exist in particular IT company and CNXIT index. HCL TECH, TCS and TECHM are highly correlated with the index. There is moderate correlation between INFOSYS and CNXIT index. Hence, the H₀ is not accepted and it is concluded that there is some correlation between the IT Company and CNXIT Index.

**Beta (β)**

Beta is a constant that tells us about volatility of security’s return in relation to market return. Following is the formula for calculating beta.

\[
β = \frac{r_{im} \sigma_i}{\sigma_m^2}
\]

Where,

- \(r_{im}\) = Correlation between the returns of Individual Security and CNXIT index
- \(\sigma_i\) = Standard deviation of returns of Individual Security
- \(\sigma_m\) = Standard deviation of returns of CNXIT index
- \(\sigma_m^2\) = Variance of returns of CNXIT index

Table-3: Calculation of Beta (β) Value

<table>
<thead>
<tr>
<th>Company</th>
<th>(r_{im})</th>
<th>(\sigma_i)</th>
<th>(\sigma_m)</th>
<th>(\sigma_m^2)</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCL TECH</td>
<td>0.18</td>
<td>1.83</td>
<td>0.80</td>
<td>0.64</td>
<td>0.41</td>
</tr>
<tr>
<td>Infosys</td>
<td>0.21</td>
<td>1.65</td>
<td>0.80</td>
<td>0.64</td>
<td>0.43</td>
</tr>
<tr>
<td>TCS</td>
<td>0.21</td>
<td>1.66</td>
<td>0.80</td>
<td>0.64</td>
<td>0.44</td>
</tr>
<tr>
<td>TECH MAHIND.</td>
<td>0.19</td>
<td>1.50</td>
<td>0.80</td>
<td>0.64</td>
<td>0.35</td>
</tr>
<tr>
<td>Wipro</td>
<td>0.22</td>
<td>1.54</td>
<td>0.80</td>
<td>0.64</td>
<td>0.43</td>
</tr>
</tbody>
</table>

*Sources: Computation based on daily historical data form NSE website*

**Interpretation:** In the Table 3, beta value has been calculated by taking the daily returns of one year of selected IT stocks and CNXIT index. The beta value shows the volatility of a security’s return relative to the returns of market index. Higher the value of beta higher will be the variability in the returns of particular security with relation to the market returns and more the stock will be risky. The beta of all the companies is positive and between the ranges of 0 to 1 that indicates that the stocks are stable and less risky. These move in same direction as of market but less susceptible to day-to-day fluctuations.

**FINDINGS & SUGGESTIONS**

**Chart Analysis**

- The study finds that there is bullish trend in the stock of HCL as it has broken the resistance level and has formed higher tops and higher bottoms. So the investors are suggested to hold or go long in this stock because the bullish trend is expected to be continued in near future.
Similarly, the stock of Infosys has also shown bullish trend and is showing the strong signals of buying. The investors are suggested to buy this stock and remain in long position as the stock has a strong support level of Rs. 1890.

The chart pattern of TCS has shown bullish trend during the whole year. Moreover, the high volume during study period has shown interest of the investors in this script.

In the study of TECH Mahindra, there is strong support level of this script during the first five months of the year at Rs. 1700. It is giving strong signals of upcoming bullish trend.

The study examines that there is normal upward trend in the share price of WIPRO during the whole year and this stock is a range bound stock, which is trading between a price range of Rs. 480 and Rs. 620 during the whole year. The investors are suggested to hold the stock.

**Statistical Analysis**

- There is a positive correlation between particular IT Company and CNXIT index in each case. HCL TECH, TCS and TECHM are highly correlated with the CNXIT index whereas the moderate correlation is there between INFOSYS and CNXIT index.
- The beta of all the companies is indicating that all the stock are less risky and stable. As it ranges between 0 and 1. It means all the stocks are moving in the same direction as of market but less susceptible to day-to-day fluctuations.

**SUGGESTIONS**

- As all the stocks are performing well so investors are suggested to invest in any of these stocks. It is showing the potential of the Indian IT sector. They can hold or go long in HCL as the upward trend is expected to be continued in near future.
- Due to the strong support level, investors can also choose Infosys and Tech Mahindra and stay long in it.
- TCS is all time favorite stock of investors so it is highly recommend buying and going long in this stock.
- As the beta coefficient of all the stocks is also between 0 and 1 so there can be better trade off risk and return. As all depends upon the risk appetite of the investors, so they can choose the stock by doing risk and return analysis.

**LIMITATIONS OF STUDY**

- As only closing prices of the stocks are considered so day’s high and low prices may produce different results and due to time and cost constraints the study is only of one year and only five companies have been selected for the study.
- Trends of market price cannot generalize as the chart patterns are based on the historical movements of the scripts so the predictions are not guaranteed.

**CONCLUSION**

With the present study, it is clear that IT sector has remained in growing segment in Indian stock market during the year 2014. There is very much scope of profitable investment in this sector. This study will help those investors who want to invest in IT sector. They can identify various buy and sell signals through the recognition of chart patterns. They can also know how to evaluate a stock in terms of risk and returns using beta. As we know, future cannot be predicted in absolute terms because the share prices are very sensitive to the investors’ sentiments and upcoming news. However, despite of that we can predict it for short term if we use various tools and indicators of technical analysis.

**REFERENCES**


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***
TOURIST SATISFACTION TOWARDS HOTELS OF UDAIPUR CITY: AN ASSESSMENT

Dr. Lokeshver Singh Jodhana\(^5\) Balvir Singh\(^6\)

**ABSTRACT**

Udaipur - the beautiful city of Rajasthan is one of the oldest Kingdom in the region. It is a historic city and part of ancient Capital City of glorious Mewar of Maharana Pratap. It is also known as the ‘Venice of East’ and ‘Kashmir of Rajasthan’. It offers one of the widest ranges of cultural heritage; lakes, mountains and the habitant of the city present an excellent example of harmony between the nature and the built environment. The hotels of Udaipur offer excellent services and accommodation to the tourists visiting the city. Every year thousands of tourists visit Udaipur city enormously. This research is aimed at studying tourist satisfaction with respect to hotels of Udaipur city. The main objective of the research is to find out the level of tourist satisfaction towards the hotels of Udaipur city. Another objective of this research is to find out the factors, which motivate the tourists towards the hotels of Udaipur. Moreover, the research is aimed to help the management of the hotel for improvement of tourism services. A well-structured questionnaire is used to collect the primary data. The simple random sampling method is used for the research.

**KEYWORDS**

Tourist Satisfaction, Hotel Industry, Tourists, Services, Udaipur City etc.

**INTRODUCTION**

Tourism occupies a prominent place in the state’s agenda as a crucial engine for income and employment. Tourism also promotes communal harmony and national unity. Seeing the significance of tourism in the economic development, the Govt. has taken various policy measures for establishing tourism as a “People’s Industry”. The state government in the recent past has made efforts for the maximum benefit of tourism sector. Public and private sector jointly for promoting tourism in the state have made productive efforts to exploit the vast potential of tourism existing in tourism sector in the state.

Tourism has been considered as promising industry since the state requires sectoral occupation to solve the problem of its acute unemployment. At the same time, Rajasthan is blessed with varied landforms, natural resources, cultural and heritage resources. If planned properly; state certainly can develop tourism into an effective industry. Tourism management is the means through which a proper development can be ushered in. However, in spite of the rhetorical pronouncements on the development of tourism by the government, nothing worth mentioning has been materialized so far.

Atithi Devo Bhava means “Guest is equivalent to God” and taken from an ancient Sanskrit scripture which became the part of ‘code of conduct of Indian society’. Therefore, it is our prime responsibility to understand that guest should be satisfied through the Indian hospitality sector for repetitive business and goodwill of the country. The guests, who travelled India, have higher level of expectations from the hotels and service sector. As their expectations are on higher side, so it is very important for the people who is working in the hospitality sector to make the tourists satisfied by their professional services and interpersonal skills.

Customer satisfaction, a business term, is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and service to service. The state of satisfaction depends on a number of both psychological and physical variables.

The State of Rajasthan is one of the most favored destinations of tourists in India for both domestic & International traffic. Rajasthan, which is a premier tourist destination attracts tourist for its historical forts, palaces, art and culture. In world scenario also, tourism has emerged as a biggest industry and posses great employment potential.

Udaipur is often called ‘Venice of the East’. It is also the ‘city of lakes’. The Lake Palace (Jag Niwas) located in the middle of Pichola Lake is the finest example of architectural and cultural marvel. The grand City Palace on the banks of the lake along with the Monsoon Palace (Sajjan Garh) on the hill above enhances the beauty of this magnificent city. Udaipur is also the center for performing arts, crafts and its famed miniature paintings. The Shilpgram festival is a great crowd-puller on New Year.

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The city of Udaipur is a lovely land around the Azure water lakes hemmed in by the lush hills of the Aravails. A vision in white drenched in romance and beauty, Udaipur is a fascinating blend of sights sounds and experience-an inspiration for the imagination of poets, painters and written.

Udaipur - the beautiful city of Rajasthan is one of the oldest kingdoms in the region. It is a historic city and part of ancient Capital City of glorious Mewar of Maharana Pratap. It is also known as the ‘Venice of East’ and ‘Kashmir of Rajasthan’. It offers one of the widest ranges of cultural heritage; lakes, mountains and the habitat of the city present an excellent example of harmony between the nature and the built environment.

The hotels of Udaipur offer excellent services and accommodation to the tourists visiting the city. Every year thousands of tourists visit Udaipur city enormously. The objective of this research is to study the tourist satisfaction with reference to the hotels of Udaipur. Hence, the research is limited to Udaipur. Although the topic of the research is related tourist satisfaction but it also covers the important factors essential for satisfying the customer.

There are many studies done on tourists’ satisfaction in India as well as abroad. Through the satisfaction of customer, money can be generated resulting in to repetition of business and prosperity of the country.

**REVIEW OF LITERATURE**

Schiffman and Kanuk (2004) had given the definition of customer satisfaction stressing on the individual perception towards a particular product and his or her expectation. They define customer satisfaction as, “The individual’s perception of the performance of the product or service in relation to his or her expectations. They explained that every individual customer has some perceptions towards the performance of the product or services and he or she has some expectation towards the product or services. When his or her expectations meet the performance of the product or service then customer gets the satisfaction.

Chauhan & Khanna (2007) attempted to investigate the satisfaction of the tourists’ vis-à-vis the tourist infrastructure, which includes accommodation, transportation, communication, drinking water, and civic amenities available in the Jammu and Kashmir. They tried to observe that accommodation, transport, communication media, drinking water, and civic amenities, which can be considered as tourist infrastructure, play a very important role in tourist satisfaction in the state of Jammu and Kashmir. The study is based on survey where 100 tourists were considered who visited the various tourist centers of Jammu and Kashmir. The research revealed the improvements that can be done in infrastructure of Jammu and Kashmir to enhance the tourist satisfaction of the tourists visiting the state. The research also suggested measures to improvise the available infrastructure to enhance the tourist satisfaction.

Masarrat (2012) studied tourists’ satisfaction towards tourism product and markets of Uttarakhand state. She revealed that for development of tourism of Uttarakhand, promotion and marketing is very important component. She emphasize on the improvement of transport facilities of Uttarakhand, which was the major component of dissatisfaction for foreign tourists of Uttarakhand. Non-availability of food at budget hotels at Uttarakhand is a cause of inconvenience to backpackers’ tourists. Some tourist places, which are not neat and clean, are also the main cause for tourists’ dissatisfaction. Congestion of roads, non-availabilities of dust bins in tourist places are some of the reasons of tourist dissatisfaction. She also emphasized that tourism should be given the status of industry in the state. She also pointed out that special incentives package should be made available for encouraging new tourism projects as well as expansion of existing tourism.

Dr. Kumaran (2013) described that customer satisfaction depends up on the expectations and perceptions. In his study, various elements like value of stay at destination, destination environment, kindness of hospitality, infrastructure facilities and other like services were analyzed. From the analysis, it is concluded that the visitors satisfied about the destination and services provided to tourists despite certain shortfalls like tour operators’ communication skill, road links, local traffic, car parking, pedestrian area etc. In the article, they also found that that food which is served in local restaurants is not hygienic and need improvement in sanitation. They also pointed out the tourist places are not clean and should be well maintained by Madurai Corporation. In the paper, it is also suggested that Meenakshi Temple should be illuminated still better with suitable lights to make more attractive during night. They also suggested that traffic and parking facilities have to be maintained well. They also pin pointed the safety and security of the tourists for improvements.

Yuksel & Yuksel (2002) analyzed that the selection of restaurants and evaluation of food service can be the major attributes of measuring the level of tourist satisfaction. The study measured the level of tourist satisfaction with dining facilities and explained the ten factors: Service Quality, product quality, menu diversity, hygiene, convenience and location, noise, service speed, price and value, facilities, and atmosphere. The study investigated the level of tourist satisfaction with dining based above written ten factors.
Bowen (2001) described the tourist satisfaction as the involvement of tourists’ feeling about the experience. What do the tourists feel about the product or service and what do they experience about that particular product or service leads to tourist satisfaction whereas Roger James and Associates (1996) revealed the satisfaction and dissatisfaction. They described, if the motivational factors are not present then it does not lead to ‘dissatisfaction’ but it leads to ‘un satisfaction’ a sense of emptiness rather than a sense of anger or disappointment if the hygienic factor will be absent then this will lead to ‘dissatisfaction’. 

Saleh et. al. (2013) conducted a study to see whether the travelers are satisfied with their visit to the country and to highlight the factors that contribute to tourist satisfaction. The factors that attract the tourists are beautiful scenery, customs and culture, hospitality of the service provider, the quality of food and friendliness of local people. Research also revealed that Tourism Malaysia, which is the primary agency of Malaysia’s tourism, has aggressively promoted Malaysia as a tourist destination with a number of promotional and marketing strategies. For example at the international level, the theme “Malaysia Truly Asia” is a famous slogan for all types of advertisement. “Zoom Malaysia” was promoted aggressively across the country from early 2008. The main objective of the study is to describe the satisfaction of the tourists visiting Malaysia with this hope that it can help the parties involved to develop the appropriate tourism promotion strategy. In the study many factors were identified which contributes to the satisfaction of tourists travel including tourists attractions in Malaysia. The service provided as well as the experience felt by tourists have been found to be important to achieve and fulfill the tourists needs while visiting the country.

Mukherjee (2012) attempted to identify the major dimensions of tourist satisfaction and explored the level of satisfaction of international tourists in the state of Orissa. She also stressed on one major area in tourism that is satisfaction of tourists, which needed a focal concentration. She also pointed out that tourism is one of the leading growth driven sectors of having been recognized as major growth engine for socio-economic and cultural development by all countries in the world. In her study, she expressed the model of expectation and disconfirmation given by Oliver (1980) for consumers develops expectations about a product prior to purchasing. This model compares actual performance with those expectations. If the former is far better than the latter, this leads to positive disconfirmation. In this situation, the consumer is highly satisfied and will be more eager to buy the product once again. If the actual performance is inferior to expectations, it contributes to a negative feature in disconfirmation. Under this situation, the customer is very unsatisfied and will attempt to purchase alternate products for the next purchase. The findings of the study suggested that the major dimensions of tourist satisfaction were service scope, tourist product, gastronomy, responsiveness, and logistics. The overall tourist satisfaction was found to be positively influenced by the dimensions of tourist satisfaction confirming its dimensionality. The study also allows the tourist service providers to strategize their offers.

Prasad & Bhatia (2014) measured the tourist satisfaction with hotels in Pushkar and their intention to revisit or recommend to others in their study. They explained that today's competition world it is very essential to service providers to satisfy their customers and differentiate their services from its competitors. The researchers intend to identify the key factors of tourists’ satisfaction with hotels and to know their relative importance. Their research showed that tourists were satisfied with the services of hotel industry and tourists have intention to revisit or recommend to others. They also explained, as Pushkar is a holy city in Ajmer attracts the foreign tourists all over the year. The limitations of the study are noted that it has a small sample size and it is carried out in the month of January and the results can be different if it is carried out in another time.

**RESEARCH METHODOLOGY**

This research is conducted on tourist satisfaction towards hotels of Udaipur. It covers the various elements or services provide by the hotels of Udaipur to the tourists to satisfy them.

These elements are important elements to be assessed while talking about tourist satisfaction. In the study, twelve factors are taken in to consideration for the satisfaction of the tourists visiting Udaipur. These factors are related to staff, ambience, service, room tariff, cleanliness, and communication skills of employees etc.

The topic taken for the study is tourist satisfaction towards hotels of Udaipur because hotel industry provides more business opportunities to the public and people travelled for tourist places for rejuvenation and relaxation and with this project, the factors of satisfaction and the areas of improvements can be assessed. The research is also aimed to give the suggestions for the management of the hotels for improvement of customer service and motivate the tourists towards the hotels of Udaipur.

**Research Design**

The research is conducted by making a well-designed questionnaire and hence primary data is collected through these questionnaires. The research was conducted in Udaipur, Rajasthan, India. The sample size is 100. Simple Random Sampling method is used in this study.
RESULT AND FINDINGS

When the correspondents were asked about the Behaviour of the hotel staff, 48% of the tourists were highly satisfied and 42% tourists were satisfied from the Behaviour of the hotels staff. 8% tourists were found neutral and only 2% tourists were dissatisfied by the Behaviour of the hotel staff.

It is found that most of the tourists were satisfied from the Behaviour of the staff. It means the staff of the hotels of Udaipur has a god Behaviour and guests are highly satisfied from the Behaviour of the staff.

Taking in to consideration, the cleaning part of the Hotel Room, 34% tourists were highly satisfied and 60% tourists were satisfied from the cleaning of the hotels. 6% were neutral. It means the cleaning and hygienic standard of the hotels are much better, hence resulting satisfaction between the tourists of Udaipur.

Near about 30% Tourists were found highly satisfied while 50% were found satisfied when tourists were asked about the facilities like Fan, TV, Cooler, AC, Remote etc. 18% tourists were found neutral and 2% were found dissatisfied from these facilities. If neutral and dissatisfied were combining, the percentage becomes 20%, which is a little higher side. It means in the above-mentioned area, the hotels of Udaipur needs improvements.

Ambience of the hotels of Udaipur is found quite well because 43% of tourists were highly satisfied and 45% were satisfied. Only 10% were neutral and 2% were found dissatisfied.

Almost 64% tourists were satisfied from the tariff of Udaipur hotels and 12% were highly satisfied. Although 12% tourist was neutral and 8% were dissatisfied from the tariff, which is a considerable point and improvement in tariff can be made for higher satisfaction level of the tourists.

From the research is found that hotel staff has good communication skill and tourists are quite satisfied from the communication skills of the staff. 36% tourists were highly satisfied and 56% tourists were satisfied. 8% were found neutral and even there are no tourists who were dissatisfied.

Hygienic standard of the hotel employees is found well because 28% tourists were found highly satisfied and 62% tourists were found satisfied. 6% were found neutral and 4% were found dissatisfied.

The tourists were asked about the professionalism in service 34% tourists were found neutral 2% were dissatisfied. Therefore, we can find that it is the one area in which management of the hotels has to pay more attention and train their employees to make their employees more professional.

In the research, it is found that 32% tourist was highly satisfied and 56% were satisfied from the above-mentioned factor. 6% fond neutral and 6% were found dissatisfied which is on higher side if compared with other factors.

The total number of 34% tourists was highly satisfied while 52% were satisfied form the etiquettes of the hotel employees while 12% were neutral and only 2% were dissatisfied.
Employees of Hotels of Udaipur found cooperative and 42% tourist were highly satisfied and 36% were found satisfied. 16% tourists found neural while 6% were found dissatisfied.

CONCLUSION AND SUGGESTIONS

As the research is focussed on the tourist satisfaction, therefore it is analyzed that most of the tourist visiting Udaipur are either highly satisfied or satisfied from the services of the hotels of Udaipur. It means the hotels of Udaipur are quite professional n their approach and make their maximum efforts to satisfy the guests or tourists. The areas in which management f hotels need to pay attentions are professionalism in service, tariff 0f the hotels, another facilities like Remote, TV, AC. Etc. because dissatisfaction level is on higher side if compared with another factors.

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*****
FUNDAMENTAL ANALYSIS: A STUDY ON THE INVESTORS’ PERCEPTION WITH REFERENCE TO UNITED BANK SHARE COMPANY IN ETHIOPIA

Tariku Kolcha Balango

ABSTRACT

Investment is risky but saving is not. Therefore, before investing, an investor should analyze the economic condition, industry performance and more specifically the company’s progress trend and predict its future prospects based on the past records. More specifically, investment is the commitment of funds to the purchase of financial instruments or other assets so as to gain returns in the form of interest, dividends, or appreciation (capital gains) of the value of the instrument etc. It is related to saving or deferring consumption (Frank J. 2003). Globalization of the financial sector has become the most rapidly developing and most influential aspect of economic development. Since 1970’s, cross-border flow of capital has been rapidly expanding and risks as well brought along by economic globalization to developing countries like Ethiopia. The current global economic crisis has a direct and/or indirect impact on the economic road map on both the developed as well as developing nations; however, the impact is more pronounced on developing nations such as Ethiopia. The Ethiopian Economy is one of the least monetized in the world with over 85 per cent of the population having little access to banking and financial services. From this perspective, it might appear that Ethiopia has little to fear from the current global crisis. However, there are areas still in which the global financial crisis might affect Ethiopia like reduced aid, investment and remittance because the country relies on the outside world to finance many of its development programs. The major objective of this paper is to assess investors’ perception towards investment with reference to United Bank, Ethiopia.

KEYWORDS

Globalization, Fundamental Analysis, Portfolio Management, Investment, Returns etc.

NEED FOR THE STUDY

As the Ethiopian Prime Minister said to the Parliament, in general, we do not expect drastic effects on our economy, our financial structure is not as liberalized as those of affected countries are and the economy is not intertwined to Western economies to face a crisis. However, there are areas still in which the global financial crisis might affect Ethiopia like reduced aid, investment and remittance because the country relies on the outside world to finance many of its development programs.

Economic difficulties or economic fluctuations happen from time to time for variety of reasons; management and/or mismanagement of resources, financial and administrative misconduct and the unfair global financial system that often worked to the disadvantage of the developing nations often lead to financial instability among others. The countries like Ethiopia have to understand the reasons for the less investment in financial assets to develop the nation by bringing out the idle natural resources in use. This makes the nation to develop industrially. Therefore, the present study is very much useful to make suggestions for the investors to make their investment fruitful. The main development objective of Ethiopia is to eradicate poverty in a relatively short period.

OBJECTIVES OF STUDY

The general objective of the study is to assess the effect of the fundamental analysis on the investments of the prospective investors in particular to United Bank Share Company, Ethiopia.

Specific Objectives

- To assess the effect of Economic system of Ethiopia on the investment with reference to United Bank Share Company, Ethiopia.
- To assess the effect of industry analysis on the investment of the investors with reference to United Bank Share Company, Ethiopia.
- To assess the effect of the company analysis on the investment of the investors with reference to United Bank Share Company, Ethiopia.

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LIMITATIONS OF STUDY

- The present study is limited to Fundamental Analysis though there other analysis types like Technical analysis and Markowitz Efficiency theory.
- This study limited to United Bank Share Company Ethiopia.
- It is limited to the data for 9 years only.
- Economic analysis is based on GDP, which includes service sector’s investment also.

HYPOTHESIS

H0: Fundamental analysis has a significant impact on the investors’ investment perception.

METHODOLOGY

The present study mainly depends on the secondary data collected from the records of the Government and the data published in different bulletins.

DATA ANALYSIS

GDP is the measure of the economy’s total production of goods and services. Rapidly growing GDP indicates an expanding economy with many opportunities for a firm to increase sales. The unemployment rate is the percentage of the total labor force yet to find work. The unemployment rate measures the extent to which the economy is operating at full capacity.

Table-1: Real GDP and Sectoral Share

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<tr>
<td>Real GDP Growth Rates</td>
<td>11.7</td>
<td>12.6</td>
<td>11.5</td>
<td>11.8</td>
<td>11.2</td>
<td>10.0</td>
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<td>9.4</td>
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<td>11.6</td>
<td>9.4</td>
<td>10.2</td>
<td>9.5</td>
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<td>9.9</td>
<td>10.8</td>
<td>15</td>
<td>13.6</td>
<td>11.11</td>
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<tr>
<td>Services</td>
<td>6.3</td>
<td>12.8</td>
<td>13.3</td>
<td>15.3</td>
<td>16.0</td>
<td>14.0</td>
<td>13.2</td>
<td>12.5</td>
<td>11.1</td>
<td>12.72</td>
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<tr>
<td>Sectoral Shares (in %)</td>
<td>47.0</td>
<td>47.4</td>
<td>47.1</td>
<td>46.1</td>
<td>44.6</td>
<td>43.2</td>
<td>42.0</td>
<td>41.1</td>
<td>44.0</td>
<td>44.72</td>
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<tr>
<td>Agriculture</td>
<td>14.0</td>
<td>13.6</td>
<td>13.4</td>
<td>13.2</td>
<td>13.0</td>
<td>13.0</td>
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<td>Industry</td>
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<td>39.7</td>
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<td>41.7</td>
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<td>46.6</td>
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<td>43.16</td>
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<td>Services</td>
<td>18.0</td>
<td>22.9</td>
<td>23.6</td>
<td>30.6</td>
<td>44.4</td>
<td>35.1</td>
<td>14.2</td>
<td>33.5</td>
<td>45.6</td>
<td>29.77</td>
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<td>Growth Rates (Current Market Prices)</td>
<td>18.0</td>
<td>22.9</td>
<td>23.6</td>
<td>30.6</td>
<td>44.4</td>
<td>35.1</td>
<td>14.2</td>
<td>33.5</td>
<td>45.6</td>
<td>29.77</td>
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Sources: Ministry of Finance and Economic Development (MOFED)
Note: Graph showing the sector wise Real GDP growth Rates

Graph-1

Note: Graph Showing the Sectorial Share in %
Sources: Authors Compilation
Note: Graph showing the sectorial Share in %
Sources: Authors' Compilation

Inferences: The year 2002/03 was a drought year, which led to a shock in the economic performance of the country. The economy, however, rebounded in 2003/04 and registered 11.7% real GDP growth rate. Such double-digit growth has been sustained throughout the eight consecutive years that led to a simple average real GDP growth rate of 11.4%. The real GDP growth rate for 2010/11 is 11.4%.

It is, however, worth noting that the prevailing international economic crisis, though mild compared to its impact on other countries, had some consequences on the growth registered during 2008/09. The high price movements that occurred during the last four fiscal years led to high levels of nominal growth rates. In this regard, a 29.77% average annual growth rate had been registered for nominal GDP Macroeconomic Developments in Ethiopia during the period 2003/04-2011/12. This growth rate reached its peak in 2007/08 (44.4%) and declined significantly in the subsequent two years and showed an upward movement in 2011/12.

In terms of the structure of the economy, the contribution of agriculture to overall GDP was 47% in 2003/04. The share declined gradually but steadily and reached 44.0% in 2011/12. The share of industry showed no significant change, accounting on average for 13.08% of the total value added over the last nine years. On the other hand, during this period, the service sector became the dominant in the economy with its share increasing from 39.7% in 2003/04 to 45.6% in 2011/12. Therefore, the GDP has significant impact on the investment Service sector.

Investment as Percentage of GDP

Table-2

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<td>27.9</td>
<td>34.6</td>
<td></td>
</tr>
</tbody>
</table>

Sources: 2004 EFY GDP and Related Indicators

Graph-3

Sources: Authors Compilation
Inference: In the fiscal year under consideration, the rate of investment was 34.6 percent of GDP that is greater than the last nine years average, while the rate of saving stood at 28 percent of GDP in the fiscal year 2011/12.

Exchange Rate

During the year 2010/11, a total of 284 trades valued at 90.2 million USD were carried out. At the end of 2010/11, the official (marginal) exchange rate in the inter-bank foreign exchange market and the average parallel market rate stood at Birr 16.1178 and Birr 16.5292 per USD, respectively. Movements of foreign exchange rate between 2004/05-2010/11

Table-3

<table>
<thead>
<tr>
<th>Period</th>
<th>Rates in Birr per USD</th>
<th>Amount traded in millions of USD</th>
<th>Number of Trades</th>
<th>Parallel Market Average Rate</th>
<th>Difference B/N Official and Parallel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>End Period Rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Weighted Rate</td>
<td>Highest</td>
<td>Lowest</td>
<td>Weighted Average Rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total O/w CBs</td>
<td>Total O/w CBs</td>
<td>Weighted average rate</td>
<td></td>
</tr>
<tr>
<td>2004/05</td>
<td>8.6663</td>
<td>8.6663</td>
<td>8.6371</td>
<td>8.6518</td>
<td>138.9</td>
</tr>
<tr>
<td>2005/06</td>
<td>8.6949</td>
<td>8.6949</td>
<td>8.6687</td>
<td>8.6810</td>
<td>134.0</td>
</tr>
<tr>
<td>2006/07</td>
<td>9.0296</td>
<td>9.0296</td>
<td>8.7019</td>
<td>8.7943</td>
<td>189.8</td>
</tr>
<tr>
<td>2007/08</td>
<td>9.6100</td>
<td>9.6100</td>
<td>9.0382</td>
<td>9.2441</td>
<td>114.4</td>
</tr>
<tr>
<td>2008/09</td>
<td>11.3009</td>
<td>11.3009</td>
<td>9.6929</td>
<td>10.4205</td>
<td>18.4</td>
</tr>
<tr>
<td>2009/10</td>
<td>13.5321</td>
<td>13.5321</td>
<td>12.4721</td>
<td>12.8909</td>
<td>12.6</td>
</tr>
<tr>
<td>2010/11</td>
<td>16.9081</td>
<td>16.9081</td>
<td>13.5822</td>
<td>16.1178</td>
<td>90.2</td>
</tr>
</tbody>
</table>

Sources: NBE: Graph showing Rates in Birr per USD between 2004/05 to 2010/11

Graph-4

Graph-5: Amount Traded in Millions of USD
Inferences: In 2010/11 the average official exchange rate of the Birr against USD in the inter-bank foreign exchange market depreciated by 25.0% as compared to its level in the preceding year. This is a substantial depreciation at a given point in time, compared to the gradual depreciation that has been taking place during the past six years. The major reasons for such magnitude of depreciation are meant for export promotion and import discouragement to narrow the balance of payments deficits. Similarly, during the period under review, the average parallel market rate has depreciated by 20.8%. During the past three years (2009/10, 2006/09 and 2007/08) the depreciation rates of the parallel market rate were 15.8, 23.6 and 6.7%, respectively.

The difference between the averages of the official and parallel markets exchange rate, which stood at Birr 0.7897 at the end of 2009/10 narrowed down to Birr 0.4114 in 2010/11. The amount traded in the inter-bank foreign exchange market, also showed an increase from 12.6 million USD in 2009/10 to 90.2 million USD in 2010/11 (which increased by 615.9%) of which 26.1 million USD was traded through commercial banks.

Table-4: Buying and Selling Rates of USD

<table>
<thead>
<tr>
<th>Month</th>
<th>Birr per USD - Buying Rate</th>
<th>Birr per USD - Selling Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-September</td>
<td>20.1</td>
<td>20.2</td>
</tr>
<tr>
<td>15-October</td>
<td>20.24</td>
<td>20.47</td>
</tr>
<tr>
<td>15-November</td>
<td>20.72</td>
<td>20.52</td>
</tr>
<tr>
<td>15-December</td>
<td>20.83</td>
<td>20.95</td>
</tr>
<tr>
<td>16-January</td>
<td>21.01</td>
<td>21.23</td>
</tr>
<tr>
<td>16-February</td>
<td>21.1</td>
<td>21.42</td>
</tr>
<tr>
<td>16-March</td>
<td>21.36</td>
<td>21.79</td>
</tr>
<tr>
<td>16-April</td>
<td>21.43</td>
<td>21.85</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Industry structure - Porter’s Model

The porter’s five forces have vital contribution for the profitability of the company within the industry; the same is true in the banking industry. The existence of more number of competitors makes the price to come down and industries apply various special strategies to attract potential customer and retain existing ones (Porter, 1998).

Table-5: Porter’s Five Forces

<table>
<thead>
<tr>
<th>Porter’s Forces</th>
<th>Ranks</th>
<th>Explanation</th>
<th>Impact on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rivalry among competitors</td>
<td>Moderate</td>
<td>The banking sector is not well grown/new are coming.</td>
<td>Positive</td>
</tr>
<tr>
<td>Threat of new entrants</td>
<td>High</td>
<td>More banks are flourishing.</td>
<td>Negative</td>
</tr>
<tr>
<td>Threat of substitutes services</td>
<td>Moderate</td>
<td>Many saving and credit institutions are being established / increase saving capacity.</td>
<td>Positive</td>
</tr>
<tr>
<td>Bargaining power of buyers</td>
<td>Low</td>
<td>Customers do not have direct dealing to interest rates.</td>
<td>Positive</td>
</tr>
<tr>
<td>Bargaining power of suppliers</td>
<td>High</td>
<td>Less number of creditors.</td>
<td>Negative</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Company Analysis / United Bank Sc

History of United Bank Sc

United Bank S.C. officially began its operation on September 21, 1998. The first branch, Beklobet Branch, was officially inaugurated and started providing domestic banking services on October 1, 1998. Currently, the Bank has over 72 branch offices and out of which 42 branch offices are located in Addis Ababa and the other 30 Branches are in major towns of the country. It is worth mentioning here that every effort has been made to open these branches in strategic areas. Accordingly, most branches are situated in business areas and are convenient to customers.

Vision: The vision of United Bank is to be "The Preferred Bank" in the banking industry of Ethiopia.

Mission: UB’s mission is to render Quality Commercial Banking Services to the best satisfaction of its Customers; to enhance Shareholder value; to be one of, if not the best, employers in the industry; and, to discharge its corporate responsibilities to both the community in which it operates and the environment which it shares with the world.
Share Capital: At the time of its establishment, UB’s authorized capital was Br. 100 million, out of which Br. 20,863,100 was fully subscribed and paid-up in cash by 335 founder-shareholders. Having considered the need to bolster a better image for the Bank, enhance its lending capacity and enable it to absorb a larger risk, the Third Extraordinary General Meeting of the Shareholders, which was held on 7 December 2002 at Addis Ababa Hilton, unanimously approved the increase of the paid-up share capital to Birr 200,000,000 - (Two hundred million) in five years’ time, the sales of the shares to reach the capital goal ended in February 2006 well ahead of the planned date. Subsequently, the fifth extraordinary meeting of shareholders approved the increase of the paid up capital to Birr 400,000,000.00 (Four Hundred Million Birr) in another five-year time.

Unique Services

Internet Banking: Our new product was introduced in August 2008 for the first time in Ethiopia. United bank is the first bank to introduce the service for the first time in Ethiopia. United is still a sole provider of internet banking service in Ethiopia. This service enables customers to get banking services without a need to physically visit branches of the Bank. Customers can get a 24/7 service anywhere as long as they have an internet access.

MS Banking: As the bank strides forward to develop new products, it introduced SMS Banking service in September 2008. Like Telephone Banking, Internet Banking and BLMT services, United is a pioneer to introduce SMS banking. SMS banking is a service that enables customers to get banking services using their mobile telephone by just sending a text message to the Bank’s system. Like the internet banking service, customers can get a 24/7 service using SMS banking.

Telephone Banking: Whether you are in the home, at work, walking, in the car, so long as you have access to a phone, you can do your banking there and then. With Telephone Banking, you can bank instantly, day or night, 365 days a year. What’s more, banking by phone gives you a choice between personal and automated banking, 24 hours a day 7 days a week. In addition, to make your life even easier, United Bank Telephone Banking is available to you wherever you are.

Existing customers can access our tele-banking service by dialing 995, and press the corresponding number for the service you require.

FINDINGS

- The Economic Analysis based on GDP has significant impact on the investors’ perception as the investment in service sector.
- As per porter’s analysis, industry analysis has definitely significant impact on the investment, as there are three positive forces among five.
- Company analysis certainly has positive impact on the investment of investors as the Bank’s performance.

The hypothesis that the fundamental analysis has significant impact on the investment of the investors is accepted.

CONCLUSIONS

Banks are the most centrally regulated financial institutions in all economy since they are dealing about the overall economy of one country. Their failure is highly and rapidly transmittable to the economy. This paper summarizes important points analyzed in the previous sections, which are valuable in making decision on competitive advantage of United Bank Sc.

The banking industry is almost in the first stage of its lifecycle but recently needs arising due to the literacy nature of the societies and economic mobilizations of the country. This shows that it is the potential area that investment to be made on it.

Growth in terms of number of branches, loans and advances and deposit amount in private banks show increasing trend year to year. In addition, its annual profitability is rising up from time to time. UB has a good position in debt ratio though it reached 0.87 in 2012 respectively. The bank, in general, has also better customer treatment, internal business process, labor versatility plan and financial position as compare to its short year of establishment. On average growth rate for deposit, loans and advances and profit is greater than 25.24% in 2012, which is near to the private banks average.

Inflation rate is shot up periodically though lowest rate is recorded in the first six months of 2010. The economic crises observed though its impact is not as such significant in Ethiopia.

Taking in to consideration the overall economic growth of the country, current effort of Ethiopian government to run away from poverty and making the environment smooth for investment through various incentives and the current new, big flourishing companies making banks demanded. More specifically, UB’s periodical profit, deposits, loans and advances, market share and number of branches are mounting. Therefore, it seems advisable having something/investing in UB.
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FOREIGN DIRECT INVESTMENT IN INDIA
WITH SPECIAL REFERENCE TO ITS TRENDS AND CHALLENGES

Dr. Babita Jha* Dr. Bhupendra Singh Hada9

ABSTRACT

Foreign Direct Investment (FDI) plays a vital role in the progress of an economy. After the introduction of the liberalization reforms, the flow of direct investment by the foreign countries has increased tremendously. Several types of foreign direct investments are taking place in different sectors leading to the growth of the economy. The focus of this paper is to know the trends of direct investment flow by different foreign countries and in different sectors in India. This paper will also try to identify the various challenges faced by the FDI's in India and will also suggest various measures to increase the flow of FDI.

KEYWORDS

FDI, Gross Domestic Product (GDP), Economic Policy Reform etc.

INTRODUCTION

International Economic integration is essential for developing the economy of any country. Foreign Direct Investment plays an imperative role in the economic integration. During the past two decades, foreign direct investment has shown a crucial role in the development of any economy. FDI’s by bridging the gap between domestic savings and investment helps in the formation of capital of any country. It also aids in gaining access to modern technologies and this helps in improving productive efficiency. It has also helped in developing new marketing channels, new products, skills and innovative way of financing.

In India, the economic policy reform of 1991 played a prominent role in the development of the economy. It paved the way to the FDI inflows in India, which not only helped in financing the current account deficiency, but also lead to the increase in the growth rate of the economy. The GDP growth rate increased tremendously from 0.8% in 1991-92 to 5.3% in 1992-1993. Even at the time of global crisis the impact of slowdown was moderate in comparison to other south Asian countries because of the continuous equity flow and less borrowing from the abroad countries. This also helped in bringing stability to the Indian Currency and thereby prevented it from depreciating in relation to the other currencies. FDI in India has helped in overall growth making the economy self-sufficient and more competitive.

OBJECTIVES OF THE STUDY

- To study the trends of Foreign Direct Investment.
- To know the challenges faced by the FDI in India.
- To give suggestion for the improvement of the FDI for the economic development of the country.

LITERATURE REVIEW

M. Syed Ibrahim and Muthusamy A (2014) in their study examined that growth of Indian economy in terms of export, GDP and Foreign exchange reserve is significantly affected by FDIs. R. Anitha (2012) in her study concluded that though the flow of FDI has increased in after liberalization still it is less in comparison to the developing economy. This study also emphasized on the role of government to frame policies in such a way that it attracts foreign investment in every sector.

Singh Jasbir et.al (2012) in his study revealed that for an economy to develop there must be an investment in priority sector. In India majority of the investment is in non-priority sector. Hooda Sapna (2011) in her study revealed that most of the investment in the form of FDI is made in the developed economies. In case of developing economies, the emerging economies are getting the major portion of FDI investment. This study also indicated that in India the percentage of FDI is increasing year by year.

Misra Srikan (2011) in a study examined the positive and negative inference of FDI in India. He pointed out that FDI helps in capital formation, brings new technologies and managerial skills and changes economic structure. Aggarwal Shalini et al. postulated that FDI has good future growth in Retailing and Real estate sector in India and it helps in the creation of employment and sustaining of small-scale industries.

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Patibandla Murali (2012) revealed that FDI in the field of automobile, software and services industry, electronics and telecommunications leads to increase in productivity, boost national and international market, generates employment etc. Malhotra Bhavya (2014) in a study concluded that liberalization policy favoring FDI has helped in the growth of Indian economy by bringing additional capital.

Vyas Vijay Kumar Abhishek (2015) analyzed that for the progress of Indian economy FDI plays a pivotal role. FDI investment in the construction and development sector has provided employment opportunity for the people of India. Bansal Kapil Kumar and Kaushik K.R. (2012) studied the advantages and disadvantages related to retail investment by FDIs. Their study revealed that the merits of retail investment outweigh its demerits. Teli RB (2013) in his study revealed that FDI in service sector is more comparison to manufacturing sector.

**Foreign Direct Investment in India**

In India, Foreign direct investment plays a prominent role in the growth of the economy. It has helped in bringing the financial stability by infusing foreign technology and foreign capital. It has brought new managerial techniques, accessibility to new markets and competition.

Following data represents some of the Country Wise FDIs inflows and sector wise investment in India over the past five years.

<table>
<thead>
<tr>
<th>Table 1: Country-Wise Inflows (US $million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Mauritius</td>
</tr>
<tr>
<td>Singapore</td>
</tr>
<tr>
<td>Netherlands</td>
</tr>
<tr>
<td>Japan</td>
</tr>
<tr>
<td>USA</td>
</tr>
</tbody>
</table>

*Sources: Annual Report, RBI 2015*

From the above data it can depicted that the FDI flow in India is increasing year by year. In terms of FDI investment in India, Mauritius is the leading country followed by Singapore and Netherlands.

<table>
<thead>
<tr>
<th>Table 2: Sector-Wise Inflows (US $million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>Manufacturing</td>
</tr>
<tr>
<td>Construction</td>
</tr>
<tr>
<td>Financial Services</td>
</tr>
<tr>
<td>Electricity and Other energy generation, distribution and transmission</td>
</tr>
<tr>
<td>Communication Services</td>
</tr>
</tbody>
</table>

*Sources: Annual Report, RBI 2015*

From the above table, it is depicted that majority of the FDI investment is in the manufacturing sector followed by communication and construction.

**Challenges in the FDI Sector**

- Well-built Infrastructure: In India, the major problem that is faced by the FDIs is the availability of infrastructure. Cost of developing a required infrastructure is too high, which can prove a great constraint in the field of FDI’s Investment.
- Social Inequality: In India, there is an unequal distribution of income and majority of the Indian population is in rural area or in undeveloped region. Therefore, it becomes a challenge for the foreign investors to foster means to reduce this inequality.
- Corporate tax rate: In India due to high corporate tax rate in comparison to other country there remains a challenge for the investors in terms of return on investment.
- Political Challenges: Strong government support is required for the FDI in the form of stability of the government and its policy, growth and development in the economic system. Political turmoil can negatively affect FDI.
- Miscellaneous: In India the major problem faced by the FDI is of corruption, delay in official procedure and complex land acquisition laws. This leads to a major constraint for the FDI in India.
SUGGESTIONS

- Government should focus on building proper infrastructure facilities so that it acts as a stimulant for the foreign direct investors.
- Taxation policy with reference to corporate tax on FDI should be framed in such a manner so that the return on investment is higher or considerable and it attracts more foreign investment.
- Transparency in the entire official procedure should be there so that the corruption is rooted out and system should be made in such a way that it promotes convenient way of investment without causing much delay in the operation of foreign investment.
- FDI policy should be consistent for number of years so that the foreign investors can have full confidence in their investment.

CONCLUSION

During the past few years, FDI has continuously been increasing and has helped in the growth of the economy. However, this growth rate should increase consistently and FDI will play a major role in this growth. Foreign investment will not boost up until the return earned by the investor compensate their risk. Government should design its policy in such a way that it induces more foreign investment in India. This will bring more long-term capital and will help in reducing the deficit of the economy. It will also help in the generation of employment and overall sectoral development.

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INDIAN BANKING COMPETITIVENESS IN GLOBALIZED WORLD

Dr. Vinod Kumar10 Dr. Amit Juneja11

ABSTRACT

Profitability is the main thrust of all the banks and bank groups and that is the reason that today there is a cutthroat competition between different bank groups within Indian banking industry and between domestic and abroad established banks and between banks in advanced and emerging economies with regard to their profitability. With this view in mind, a comparative study is done w.r.t. profitability of different bank groups in advanced and emerging economies and between different bank groups of Indian banking Industry. Profitability is measured in terms of Cost of Borrowings, Cost of Deposits, Cost of Funds, Return on Assets, Return on Advances, Return on Investments, Return on Funds and Spread. The study concludes that banking system of emerging economies is more profitable than advanced economies as the banks in these economies shows more return on assets as compared to banks in advanced economies. As far as different bank groups of Indian banking industry is concerned, foreign banks are most profitable as their costs increases less than their returns. Because of which their spread increases in 2011-12 as compared to 2010-11. Not all the other bank groups are successful in increasing their spread during the same time.

KEYWORDS

Cost of Borrowings, Cost of Deposits, Cost of Funds, Return on Assets, Return on Advances, Return on Investments, Return on Funds, Spread etc.

INTRODUCTION

Since the nationalization of banks until first banking sector reforms, the main thrust of the banks was social banking where profitability was not considered as an important factor of their performance. At that time, bundle of deficiencies were prevailing in Indian banking system such as increasing branches but the most of them witnessed continuous losses, deteriorating productivity and profitability, functioning under highly regulated environment etc. that resulted in deterioration in performance of Indian banks. To control this deterioration situation first banking sector reforms were introduced in 1991.

After some period, second banking sector reforms were introduced with major areas of recommendation was computerization of all the banks of Indian banking industry, mergers, and acquisitions of banks to strengthen their efficiency. Secondly, after the IT Act was introduced, implementation of computerization along with advanced technology was started in all the banks. These environmental changes in the banking industry produce huge amount of competition among various banks and banking groups. This competition among these banks and banking groups is not confined to one or two parameters, but with all the performance parameters.

Indian banking, which was operating in a highly comfortable environment until the beginning of the 1990s, has been pushed into the choppy water of intense competition. The modern banking activity is marked by itineraries into un-chartered horizons mingled with risks and heavy competition. Immediately after nationalization, the Public Sector Banks spread their branches to remote areas at a rapid pace. Their main objective was to act on behalf of the government to fulfill economic obligations towards the common person. They acted over enthusiastically in penetrating into far-flung and remote corners of the country. The social responsibility that was entrusted upon the Public sector Banks digresses them from the profit motive. On the other hand, private and foreign banks did not make such moves. Instead, they pursued profit making as the objective for their operations.

REVIEW OF RELATED LITERATURE

Kou, T. H. (2011) conducted his study to investigate (1) the effect of the bank customer's personal factors (gender, age, educational background) on their perception of their technology readiness (TR), customer relationship management (CRM) of the financial services and relationship quality (RQ) with the bank, and (2) the relationships among TR, CRM, and RQ. This study conducts an empirical study of customers from 12 local banks in Taiwan. A sample of 713 respondents was taken for the present study. Results show that personal factors significantly influence TR and CRM. The study also learns that TR has a significant impact on CRM and RQ, and CRM has significant influences on RQ.

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Munusamy, J. et al. (2010) conducted this research focused on the measurement of customer satisfaction through delivery of service quality in the banking sector in Malaysia. A quantitative research was used to study the relationship between service quality dimensions and customer satisfaction. The methodology employed in obtaining information about customer satisfaction in banking via a survey conducted at a sample of the general consumer population. The survey questionnaire is designed and distributed to target respondent randomly. Targeted respondents are the public who are at the legal age to hold a Savings and/or Current Account in any of the retail banks in Malaysia. A sample of 117 respondents was taken for the study. The findings reveal that assurance has positive relationship but it has no significant effect on customer satisfaction. Reliability has negative relationship but it has no significant effect on customer satisfaction. Tangibles have positive relationship and have significant impact on customer satisfaction. Empathy has positive relationship but it has no significant effect on customer satisfaction. Responsiveness has positive relationship but no significant impact on customer satisfaction. The study highlights implications for marketers in banking industry for improvement in delivery of service quality.

Hossain, M. and Leo, S. (2009) conducted this study to evaluate the service quality in retail banking in the Middle East in general, and Qatar in particular, based on different levels of customers' perception regarding service quality. This study based mainly on the primary data collected through a scientifically developed questionnaire. The questionnaire have been personally administered on a sample size of 120, chosen on a convenient basis from four Qatari banks, i.e. Qatar National Bank, Doha Bank, Qatar International Islamic Bank, and Arab Bank. The result indicates that customers’ perception is highest in the tangibles area and lowest in the competence area. In order to achieving higher levels of quality service in retail banking, banks should deliver higher levels of service quality and in the present context customers’ perceptions are highest in the level of infrastructure facilities of the bank, followed by timing of the bank, and return on deposit. Owing to the increasing competition in retail banking, customer service is an important part and bank managers should be rethinking how to improve customer satisfaction with respect to service quality.

Ismail, A., Abdullah, M. M. B. and Sebastian, K. F. (2009) explores the relationships among service quality features (responsiveness, assurance, and empathy), perceived value and customer satisfaction in the context of Malaysia. The empirical data are drawn from 102 members of an academic staff of a Malaysian public institution of higher learning using a survey questionnaire. The results indicate that the interaction between perceived value and responsiveness was not significantly correlated with customer satisfaction, the interaction between perceived value and assurance also did not correlate significantly with customer satisfaction and the interaction between perceived value and empathy correlated significantly with customer satisfaction. Thus, the results demonstrate that perceived value had increased the effect of empathy on customer satisfaction, but it had not increased the effect of responsiveness and assurance on customer satisfaction.

Mishra, A. A. (2009) in their study on customer satisfaction from retail banking reveals that the banking industry like many other financial services industries is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition, and more demanding customers; and the changing climate has presented an unprecedented set of challenges. In the current circumstances a question arises whether the customers are satisfied or not and what are the elements of retail banking which lead to the satisfaction or dissatisfaction of customers. The knowledge of current levels of satisfaction and, in particular, the primary factors of satisfaction are beneficial to those in the industry, thereby allowing them to focus and further strengthen the key areas that lead to highly satisfied customers. This research postulates on the present levels of satisfaction, and tries to explore the factors that lead to customer satisfaction in retail banking in India. Data from 100 survey respondents were collected from one branch of one of the prominent retail banks in the city of Hyderabad. The findings revealed that customer satisfaction, a transaction-specific attribute is dependent on seven factors, which coexist with extensive academic literature.

Munusamy, J. and Fong, V. O. (2008) examine the level of customer satisfaction with regard to IBBM’s training services. The study investigates the dimensions of service quality that have significant effect on customer satisfaction in IBBM’s training services. The study finds that the dimensions of service quality and customer knowledge are positively correlated to customer satisfaction among IBBM’s corporate clients. However, only four factors, namely, competence, credibility, accessibility, and tangibles have significant effect on customer satisfaction. Therefore, the management of IBBM should focus efforts on upgrading areas of competence, credibility, accessibility and tangibles in order to continually increase customer satisfaction for continued profitability and success in training business.

Vimi Jam & Kaleem Mohd Khan (2008) conducted a study among five Indian banks, aimed at identifying customer satisfaction variables which lead to relationship building, and developing a conceptual framework of relationship marketing practices in Indian banks by capturing the perspectives of customers with respect to their satisfaction with various services. It also sought to identify whether demographics have a role to play in customer satisfaction. A questionnaire designed from a literature review and in-depth interviews were utilized to arrive at the 16 variables, which determined the satisfaction of 555 customers of the five banks. The findings suggest that while private banks have been able to attract the younger customers with higher educational levels, who are comfortable with multi-channel banking, the customers of the national bank are older and more satisfied with the traditional facilities. The results from this study could provide managerial lessons on assessment of strengths and improvement of services and in evolving a research strategy that will benefit the management of banks.
Choudhury, K. (2007) explained that the Indian banking industry is going through turbulent times. With the lowering of entry barriers and blurring product lines of banks and non-banks since the financial sector reforms, banks are functioning increasingly under competitive pressures. Hence, in order to maintain a loyal customer base and improve their market and profit positions, many retail banks are directing their strategies towards increasing customer satisfaction and loyalty through improved service quality. Therefore, the objective of the study was to explore the dimensions of customer perceived service quality in the context of the Indian retail banking industry. The study suggests that customers distinguish four dimensions of service quality in the case of the retail banking industry in India, namely, attitude, competence, tangibles and convenience.

Mishra, J. K. and Jain, M. (2007) studied various dimensions of customer’s satisfaction in nationalized and private sector banks. The study concluded that the satisfaction of the customers is an invaluable asset for the modern organizations, providing unmatched competitive edge; it helps in building long-term relationship as well as brand equity. The best approach to customer relationship is to deliver high level of customer satisfaction that result in strong customer loyalty. Two-stage factor analysis was computed to arrive at the dimensions of customer satisfaction. The study analyzed ten factors and five dimensions of customer satisfaction for nationalized and private sector banks respectively.

Srivatsa, H. S. and Srinivasan, R. C. (2007) uses psychographics to study the banking channel adaptation and the trends in the retail-banking scenario in Karnataka. A sample of 249 respondents was taken and distributed based on various demographic variables. Various factors which were taken for the study were channel financial security, channel information security, technical orientation of customers, technology access, innovation, third party influence on channel choice, usage convenience, personal comfort, information availability and inertia for change. A questionnaire consist of 111 questions was taken as an instrument for survey. Data was analyzed with the help of univariate analysis and exploratory factor analysis techniques. According to the results of this study, channel convenience, channel control and channel security plays an important role in the selection of channels. Some regions still see people who are stuck to branch banking and are not ready for a change in mindset. Across all the four regions, tele banking was not popular since it was not perceived as a safe and convenient channel.

Vyas, R. K. & Dhome, A. (2007) conducted a study mainly focuses on the State Bank of India (SBI), the premier bank in the Indian banking sector, as to what extent it has been affected by the entry of new private sector banks. The study applies t-test for finding the significant difference in the performance of SBI before and after the entry of private sector banks, with the help of financial ratios selected as the parameters for ascertaining the changes in the business of SBI. The results indicate that the presence of new private sector banks does not pose any threat to SBI at the moment; however, the same cannot be said in the future. The SBI has a strong network as compared to these new banks, and its presence has been for more than hundreds of years in the region. These facts certainly have a major impact on the results of the study.

Uppal, R. K. (2007) concludes that Indian Banking industry has undergone radical changes due to liberalization and globalization measures undertaken since 1991. A highly satisfied and delighted customer is a very vital non-financial asset for the banks in the emerging IT era. This paper is based on the responses of the 768 customers of public sector banks and Indian Private Sector banks and foreign banks operating in Amritsar District of Punjab in the month of September 2007 in case of –bank have been taken into consideration. Time is major factor, which affects the quality and reputation of banks. E-banks provide quick services and are very essential that all bank groups should put a place the right kind of systems to further cut down on service time and render instantaneous services to the customers.

Uppal, R. K. and Kaur, R. (2007) analyze the efficiency of all the bank groups in the post banking sector reforms era. Time of study is related to second post banking sector reforms (1999–2000 to 2004-05). The paper concludes that the efficiency of all the bank groups has increased in the second post banking sector reforms period but these banking sector reforms are more beneficial for new private sector banks and foreign banks. This paper also suggests some measures for the improvement of efficiency of Indian nationalized banks. The sample of the study in Indian banking industry, which comprises five different ownership groups and the ratio method, is used to calculate the efficiency of different bank groups. New private sector banks are compelling with foreign banks for continuous improvement in their performance.

Al-Tamimi and Jabnoun (2006) compare the service quality and banks’ performance between National and Foreign Banks in the UAE i.e. Abu Dhabi, Dubai and Sharjah. The banks’ performance is analyzed based on two indicators i.e. ROI and ROA for the time from 1987 to 2000. The study concludes that there is no significant difference between national banks and foreign banks in overall service quality and in dimensions of tangibles and empathy but in case of human skills there is significant difference and foreign banks were found to be superior. The study also concludes that the relationship between service quality and banks’ performance can be in both directions either bank should improve service quality to improve their profitability or vice-versa.

Uppal, R. K. (2006) studies the impact of computerization on the performance of public and private sector banks. The study was based on primary and secondary data. The study concludes that the performance of fully computerized banks (HDFC, PNB, IDBI, ICICI and OBC) is much better than the partially computerized banks. In inter-bank group comparison, all bank groups show
significant difference in profitability and productivity. Primary survey concludes that majority of the customers are satisfied with computerization of banking services where urban sector respondents show keen interest in computerization of banking business.

**RESEARCH GAP**

Profitability is the main thrust of all the banks and bank groups in this competitive era. All the banks and bank groups are trying to achieve this objective whether these are foreign banks or the domestic banks. Profitability is measured in terms of various parameters and if a bank of bank group wants to increase its profitability, it has to perform better on all these parameters. It has to increase its returns and decrease its costs, so that its spread can increase. With this ever-important aspect of banking industry, a comparative study is done w.r.t. to profitability parameters, so that it can be known which bank group is doing remarkably better on this aspect.

**OBJECTIVES**

- To compare return on assets of banks in advanced and emerging economies.
- To compare return on assets of all scheduled commercial banks in India.
- To compare cost of funds and returns on funds of different bank groups in India.
- To see trends on cost of funds and returns on funds of all scheduled commercial banks in India.

**Focus Area**

The present paper focuses on the study of selected parameters related to profitability of different bank groups in Indian banking industry and to see trends related to return on assets of banks in advanced and emerging economies.

**Data Collection Work**

Secondary data had been used in present study.


**RESEARCH METHODOLOGY**

**Research Design:** A descriptive comparative research design was used in the present study. The study has been conducted about the profitability of different bank groups of Indian banking industry and banks in advanced and emerging economies.

**Sample Design:** The present paper is concerned with Indian banking industry as whole and it includes all the bank groups of Indian banking industry and banks of different advanced and emerging economies.

**Period:** As far as the time of the present study is concerned, it can be said that the comparative profitability analysis is done on selected parameters related to profitability during the period of 2007-12.

**Sampling Plan:** In carrying out a data firstly selected the parameters and then study the profitability of different bank groups of Indian banking industry and banks of advanced and emerging economies on these selected parameters.

**PARAMETERS OF STUDY**

In the present study, the analysis and comparison of the profitability performance is done with reference to the following parameters: a) Return on Assets, b) Cost of Deposits, c) Cost of Borrowings, d) Cost of Funds, e) Return on Advances, f) Return on Investments, g) Return on Funds, and h) Spread.

**FINDINGS AND DISCUSSION**

The major findings of this research and the analysis of data is shown the following tables:

**Table-1: Return on Assets of Banks for Advanced Economies (Percent)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>-</td>
<td>0.1</td>
<td>0.3</td>
<td>0.6</td>
<td>0.4</td>
<td>-</td>
</tr>
<tr>
<td>Germany</td>
<td>0.3</td>
<td>-0.1</td>
<td>0.2</td>
<td>0.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Greece</td>
<td>1.0</td>
<td>0.2</td>
<td>-0.1</td>
<td>-0.6</td>
<td>-2.1</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 1 is showing trends related to return on assets for advanced economies during 2007 to 2012. From the analysis of the data, it is observed that the return on assets, an indicator of the banking system’s profitability, showed a divergent trend across economies. In general, it witnessed a declining trend. In some of the developed economies, this return on assets showed a negative trend also which means that these advanced economies are severely facing threats to their profitability and thus are in complete danger as far as the existence of their banking system is concerned. Greece and United States are two economies, which showed negative trends in two years while Spain and France showed positive trends throughout the study period.

Table 2 is showing return on assets for emerging and developing economies during the study period of 2007 to 2012. From the analysis of the table, it is found that emerging and developing economies are far better in their performance as compared to the developed economies as their return on assets are more than the return on assets of the developed economies and neither of the emerging and developing economy showed negative return on assets as shown by the developed economies. China, India and Malaysia are the most consistent economies in terms of return on assets, as they are not showing any high fluctuations on this parameter during the study period. It means that emerging economies are performing better than the developed economies on their return on assets.

Table 3 is showing trends related to returns on assets of SCBs for the study period 2011-12. From the analysis of the table, it is clear that return on assets for every bank group shows an upward trend except nationalized banks. It is due to the bad performance shown by this bank group that the public sector banks as a whole show a declining trend besides a remarkable improvement shown by SBI group by improving its return on assets by 0.10 percent in just one year of the study period. However, nationalized banks show a 0.15 percent decline in their return on assets. Private sector bank group as a whole and OPSBs and NPSBs also show good improvement on their return on assets. In the whole, we can conclude that this is entirely the result of nationalized banks performance that affects return on assets of all SCBs on the whole.
Table 4: Cost of Funds and Returns of Funds of Public Sector Banks (Percent)

<table>
<thead>
<tr>
<th>Bank Group / Year</th>
<th>Cost of Deposits</th>
<th>Cost of Borrowings</th>
<th>Cost of Funds</th>
<th>Return on Advances</th>
<th>Return on Investments</th>
<th>Return on Funds</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector Banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>5.12</td>
<td>2.28</td>
<td>4.89</td>
<td>9.09</td>
<td>6.80</td>
<td>8.41</td>
<td>3.52</td>
</tr>
<tr>
<td>2011-12</td>
<td>6.36</td>
<td>2.81</td>
<td>6.06</td>
<td>10.30</td>
<td>7.54</td>
<td>9.52</td>
<td>3.46</td>
</tr>
<tr>
<td>Nationalized Banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>5.13</td>
<td>2.36</td>
<td>4.93</td>
<td>9.21</td>
<td>6.83</td>
<td>8.49</td>
<td>3.56</td>
</tr>
<tr>
<td>2011-12</td>
<td>6.51</td>
<td>2.78</td>
<td>6.22</td>
<td>10.32</td>
<td>7.44</td>
<td>9.49</td>
<td>3.27</td>
</tr>
<tr>
<td>SBI Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>5.09</td>
<td>2.14</td>
<td>4.79</td>
<td>8.84</td>
<td>6.72</td>
<td>8.22</td>
<td>3.43</td>
</tr>
<tr>
<td>2011-12</td>
<td>5.97</td>
<td>2.85</td>
<td>5.66</td>
<td>10.26</td>
<td>7.78</td>
<td>9.59</td>
<td>3.93</td>
</tr>
</tbody>
</table>

Sources: Report on Trends and Progress of Banking in India, 2007-12.

Table 5 is showing costs of funds and returns of funds of private sector banks during the study period of 2011-12. From the analysis of the table, it is clear that all the cost parameters show an increase in 2011-12 as compared to 2010-11 as there is an increase in cost of deposits, cost of borrowings and cost of funds. Though return side also shows an increase as there is an increase in return on advances, return on investments and return on funds, but the increase is not as significant as compared to the increase in cost side of banking operations. The major impact of this trend is on the spread of public sector banks, which decreases in 2011-12 as compared to 2010-11. This is also the same case of nationalized banks, though SBI group show an increase on its spread during the study period. Therefore, it can be concluded that SBI group is the most profitable bank group among public sector banks during the study period.

Table 5: Cost of Funds and Returns of Funds of Private Sector Banks (Percent)

<table>
<thead>
<tr>
<th>Bank Group / Year</th>
<th>Cost of Deposits</th>
<th>Cost of Borrowings</th>
<th>Cost of Funds</th>
<th>Return on Advances</th>
<th>Return on Investments</th>
<th>Return on Funds</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>4.97</td>
<td>2.33</td>
<td>4.56</td>
<td>9.65</td>
<td>6.53</td>
<td>8.55</td>
<td>3.99</td>
</tr>
<tr>
<td>2011-12</td>
<td>6.43</td>
<td>2.92</td>
<td>5.84</td>
<td>10.99</td>
<td>7.26</td>
<td>9.69</td>
<td>3.85</td>
</tr>
<tr>
<td>Old Private Sector Banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>5.63</td>
<td>2.24</td>
<td>5.50</td>
<td>10.42</td>
<td>6.20</td>
<td>8.98</td>
<td>3.48</td>
</tr>
<tr>
<td>2011-12</td>
<td>7.24</td>
<td>4.34</td>
<td>7.10</td>
<td>11.98</td>
<td>7.37</td>
<td>10.47</td>
<td>3.37</td>
</tr>
<tr>
<td>New Private Sector Banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>4.73</td>
<td>2.33</td>
<td>4.27</td>
<td>9.41</td>
<td>6.62</td>
<td>8.42</td>
<td>4.15</td>
</tr>
<tr>
<td>2011-12</td>
<td>6.14</td>
<td>2.81</td>
<td>5.45</td>
<td>10.69</td>
<td>7.23</td>
<td>9.46</td>
<td>4.01</td>
</tr>
</tbody>
</table>

Sources: Report on Trends and Progress of Banking in India, 2007-12.

Table 6 is showing costs of funds and returns of funds of foreign sector banks during the study period of 2011-12. From the analysis of the table, it can be concluded that foreign sector banks are the most successful banks in this case as they showed an increase on their spread during the study period. However, there is an increase in cost and return side both during the study period,
but returns increased more than the cost. Because of which, there is an increase in spread. It means that foreign banks are able to benefit themselves as far as profitability is concerned.

Table 7: Cost of Funds and Returns of Funds of All SCBs (Percent)

<table>
<thead>
<tr>
<th>Bank Group / Year</th>
<th>Cost of Deposits</th>
<th>Cost of Borrowings</th>
<th>Cost of Funds</th>
<th>Return on Advances</th>
<th>Return on Investments</th>
<th>Return on Funds</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>5.01</td>
<td>2.33</td>
<td>4.73</td>
<td>9.18</td>
<td>6.79</td>
<td>8.42</td>
<td>3.69</td>
</tr>
<tr>
<td>2011-12</td>
<td>6.28</td>
<td>2.81</td>
<td>5.90</td>
<td>10.40</td>
<td>7.53</td>
<td>9.52</td>
<td>3.62</td>
</tr>
</tbody>
</table>

Sources: Report on Trends and Progress of Banking in India, 2007-12.

Table 7 is showing trends on cost of fund and returns on funds during the study period 2011-12 of all the scheduled commercial banks in India. From the analysis of the table, it is clear that the completely Indian banking industry suffers from the problem of decreasing profitability, as there is a decline in the spread in 2011-12 as compared to 2010-11. However, SCBs are successful in increasing their returns in 2011-12 as compared to 2010-11, but their cost also increases during the same time and cost increases more than the returns which results in decreasing profitability.

CONCLUSIONS

The following conclusions can be drawn from the study given above:

- Return on assets in developing and emerging economies are more than advanced and developed economies. Russia and Brazil are the leading countries in this case.
- As far as Indian banks are concerned, return on assets of foreign banks, are more than any other bank group and has increased in 2011-12 as compared to 2010-11. Private sector banks also show an increase during the study period. However, nationalized banks failed in this case.
- As far as spread based upon cost of funds and return on funds is concerned, again foreign sector banks are the most profitable banks as they shows an increase in their spread during the study period, but the other two bank groups failed in this case.
- As far as spread of all the SCBs in India is concerned, it decreases during the study period, which means that profitability of Indian banking industry has gone down in 2011-12 as compared to 2010-11.

FUTURE AREAS OF RESEARCH

- Comparative study of individual banks for all selected parameters.
- Performance evaluation of banks separately in domestic and abroad branches.
- Profitability evaluation of certain banks and bank groups w.r.t. some other parameters related to profitability.

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IMPACT OF WORK ENVIRONMENT ON JOB SATISFACTION: 
A COMPARATIVE STUDY OF CHAIN AND NON-CHAIN HOTELS OF RAJASTHAN

Dr. Yashwant Singh Rawal12

ABSTRACT

Employees feel satisfied and comfortable in the environment if they are physically and mentally safe and unharmed at their working place. The comfortable work environment increases the rate of working and performance, employee's satisfaction and can reduce the turnover rate. Work place environment can be defined where the organization gives of proper facilities which make employee comfortable safe and happy.

Hospitality & Tourism industry is one of the fastest industries in the world, which provides a large number of employments. Working environment is one of the major factors, which leads to employee’s satisfaction.

This research paper focuses on impact of work environment on job satisfaction. It also compares the satisfaction level about work environment & physical facilities of Chain and Non-chain hotels of Rajasthan.

Sources of data & Sampling: The respondents were selected by convenience sampling method. Sample size of 250 respondents was taken. Questionnaires were developed to capture the opinion of different respondents from various departments of chain and Non-Chain hotels of Rajasthan.

Tools & Techniques of Research: The Null Hypotheses were tested by percentage, mean, Z –Test. and correlation.

KEYWORDS

Hotel Industry, Work Environment, Job Satisfaction etc.

INTRODUCTION

Employees feel satisfied and comfortable in the environment if they are physically and mentally safe and unharmed at their working place. The comfortable work environment increases the rate of working and performance, employee’s satisfaction and can reduce the turnover rate. Work place environment can be defined where the organization gives of proper facilities which make employee comfortable safe and happy.

Hospitality & Tourism industry is one of the fastest industries in the world, which provides a large number of employments. Working environment is one of the major factors, which leads to employee’s satisfaction.

This research paper focuses on impact of work environment on job satisfaction. It also compares the satisfaction level about work environment & physical facilities of Chain and Non-chain hotels of Rajasthan.

Element of work environment: Work environment can be divided into two components:

Figure-1

Sources: Authors Compilation

12Assistant Professor, Pacific Institute of Hotel Management, Pacific University, Rajasthan, India, yashwantr84@gmail.com
PHYSICAL ENVIRONMENT MENTAL ENVIRONMENT

Physical Environment: Where the employees get proper facilities like good infrastructure, temperature, proper ventilation, lighting, amenities cleanliness, educates tools and equipment. If this kind of environment is provided to the employees, organization can increase the level of employee’s satisfaction.

Mental Environment: A healthy work environment where colleagues, supervisor and manager are supporting and encouraging. Person feel relax and management does not put any unnecessary stress on employees.

OBJECTIVES

- To determine the impact of work environment on employees satisfaction of Chain hotels.
- To determine the impact of work environment on employees satisfaction of Chain hotels.
- To compare the level of satisfaction about work environment of Chain & Non-chain hotels of Udaipur.

HYPOTHESES

H₀₁: Work environment has no significant impact on job satisfaction of employees of chain hotels of Udaipur.
H₀₂: The work environment has no significant impact on job satisfaction employees of Non-chain hotels.
H₀₃: There is no significant difference in the level of job satisfaction with regard to work environment of employee in Chain & Non-chain hotels.

RESEARCH METHODOLOGY

Table-1: Research Techniques

<table>
<thead>
<tr>
<th>Research Design</th>
<th>Descriptive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Collection Method</td>
<td>Survey</td>
</tr>
<tr>
<td>Data Sources</td>
<td>Primary &amp; Secondary</td>
</tr>
<tr>
<td>Sample Area</td>
<td>Employees of chain &amp; non-chain hotels of Rajasthan</td>
</tr>
<tr>
<td>Sample Size</td>
<td>250</td>
</tr>
<tr>
<td>Scaling Technique</td>
<td>3 point scale</td>
</tr>
<tr>
<td>Statistical tools</td>
<td>Percentage, Mean, Z test, Correlation</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-2: Distribution of Sample Size

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Type of Hotel</th>
<th>Type of Sampling</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chain hotels</td>
<td>Convenience Sampling</td>
<td>125</td>
</tr>
<tr>
<td>2</td>
<td>Non chain hotels</td>
<td></td>
<td>125</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>250</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

DATA ANALYSIS

Based on different parameters employee’s satisfaction about work environment was determined. The tables below depict the level of satisfaction of employees with regard to the work environment. Mean score for each statement was calculated. Finally, all statement was ranked which show the priority of the respondents for different dimensions.

Table-3: Employee’s level of Satisfaction in Chain Hotels – Physical Work Environment

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree %</th>
<th>Neutral %</th>
<th>Agree %</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The physical facilities at my work palace like comfortable seating arrangement, proper ventilation lighting is appropriate.</td>
<td>5.60</td>
<td>5.60</td>
<td>88.80</td>
<td>2.83</td>
<td>1</td>
</tr>
<tr>
<td>The ambience of work place increases my work efficiency.</td>
<td>4.00</td>
<td>10.40</td>
<td>85.60</td>
<td>2.82</td>
<td>2</td>
</tr>
<tr>
<td>Other supportive facilities like drinking water, clear toilet contain facility make me more productive.</td>
<td>11.20</td>
<td>8.00</td>
<td>80.80</td>
<td>2.70</td>
<td>3</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
The number 3 depicts that the employees of the chain hotels were highly satisfied with physical facilities / infrastructure in their hotel. In fact, employees were found to be most satisfied with the physical facilities at their work place like comfortable seating arrangement, proper ventilation, and lighting. This statement obtained first rank among three parameters with the mean score of 2.83, where 88.80% respondents were satisfied with this and only 5.60% were moderately satisfied, and the same percentage of employees were dissatisfied.

**Table-4: Employees’ Level of Satisfaction of Non-Chain Hotel - Physical Work Environment**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree %</th>
<th>Neutral %</th>
<th>Agree %</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The physical facilities at my work palace like comfortable seating arrangement, proper ventilation lightning are appropriate.</td>
<td>4.00</td>
<td>28.00</td>
<td>68.00</td>
<td>2.64</td>
<td>3</td>
</tr>
<tr>
<td>The ambience of work place increases my work efficiency.</td>
<td>7.20</td>
<td>14.40</td>
<td>78.40</td>
<td>2.71</td>
<td>2</td>
</tr>
<tr>
<td>Other supportive facilities like drinking water, clear toilet contain facility make me more productive.</td>
<td>3.20</td>
<td>16.80</td>
<td>80.00</td>
<td>2.77</td>
<td>1</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

From the above table, it has analyzed that the employees of the non-chain hotel were satisfied with physical facilities / infrastructure statement in their hotel. It depict that employees were found to be most satisfied with “Other supportive facilities like drinking water, clean toilet contain facility make me more productive.” in their hotel. This statement obtained first rank among three parameters with mean score of 2.77. Which in absolute percentage comes to 80.00% of respondent were found satisfied with this statement, only 16.80% were found neutral and least 3.20 % were found dissatisfied this aspect.

**Table-5: Satisfaction in Chain Hotels – Mental Work Environment**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree %</th>
<th>Neutral %</th>
<th>Agree %</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>While working with my colleague I feel relaxed.</td>
<td>7.20</td>
<td>8.00</td>
<td>84.80</td>
<td>2.78</td>
<td>2</td>
</tr>
<tr>
<td>The work environment at my work palace is cordial &amp; encouraging.</td>
<td>2.40</td>
<td>10.40</td>
<td>87.20</td>
<td>2.85</td>
<td>1</td>
</tr>
<tr>
<td>The work environment at my work palace is relaxing which puts no unnecessary stress on me.</td>
<td>8.00</td>
<td>24.80</td>
<td>67.20</td>
<td>2.59</td>
<td>3</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

As depicted in table that in general employees (worker of chain hotel) were highly satisfied with work environment in their hotel. Respondents were found to be most satisfied with “The work environment at my work place is cordial & encouraging” in their hotel. This statement has obtained first rank among three parameters with the mean score of 2.85 in which 87.20% respondents were satisfied with this statement, only 10.40% were neutral and minimum 2.40% were dissatisfied. The other two statement regarding feeling relaxed with colleagues and having a stress free environment have also obtained a high mean score of 2.78 and 2.59 respectively.

**Table-6: Satisfaction in Non-chain Hotels – Mental Work Environment**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Low %</th>
<th>Medium %</th>
<th>High %</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>While working with my colleague I feel relaxed.</td>
<td>2.40</td>
<td>15.20</td>
<td>82.40</td>
<td>2.80</td>
<td>1</td>
</tr>
<tr>
<td>The work environment at my work palace is cordial &amp; encouraging.</td>
<td>3.20</td>
<td>15.20</td>
<td>81.60</td>
<td>2.78</td>
<td>2</td>
</tr>
<tr>
<td>The work environment at my work palace is relaxing which puts no unnecessary stress on me?</td>
<td>2.40</td>
<td>20.00</td>
<td>77.60</td>
<td>2.75</td>
<td>3</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

From the table, it can be said that in general employees (worker of non-chain hotel) were highly satisfied with Work environment in their hotel. However people were found to be most satisfied with “While working with my colleague I feel relaxed” in their hotel. This statement obtained first rank among three parameters with the mean score of 2.80. 15.20% respondents were found satisfied with this statement only 2.40% were found neutral and minimum 2.40% were dissatisfied with this aspect.
Table-7: Correlations between Job-Satisfaction and Work Environment

<table>
<thead>
<tr>
<th>N</th>
<th>r</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>125</td>
<td>0.361</td>
<td>*</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Note: *Correlation is significant at the 5% (2-tailed).

Graph-1: Correlations between Job-Satisfaction and Work environment: Chain Hotel

Significant positive correlation between job satisfaction & work environment was found (r=0.361, p<0.05) in case of chain group of hotels which reveals that in chain hotels with increase in work environment job satisfaction increases. It means work environment has significant positive impact on job satisfaction. Therefore the H01The work environment has no significant impact on job satisfaction of hotel employee in chain hotels is rejected.

Table-8: Correlations between Job-Satisfaction and Work Environment

<table>
<thead>
<tr>
<th>N</th>
<th>r</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>125</td>
<td>0.423</td>
<td>*</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Note: *Correlation is significant at the 5% (2-tailed).

Graph-2: Correlations between Job-Satisfaction and Work Environment non-chain hotel
Significant positive correlation between job satisfaction & work environment was found (r=0.423, p<0.05) in case of non-chain group of hotels which shows that in chain hotels with congenial work environment job satisfaction increases. It means work environment has significant impact on job satisfaction. Therefore null Hypothesis Ho2 that the work environment has no significant impact on job satisfaction of hotel employee in Non-Chain hotel is rejected.

Table-9: Work Environment

<table>
<thead>
<tr>
<th>Group</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Z</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chain</td>
<td>125</td>
<td>4.10</td>
<td>0.68</td>
<td>-0.28</td>
<td>NS</td>
</tr>
<tr>
<td>Non-Chain</td>
<td>125</td>
<td>4.12</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Note: Non-significant at the 5% (2-tailed).

Table-9 shows test results for the null hypothesis H02 which states there is no significant difference in work environment in chain and non-chain hotels.

The result given above shows that there is no significant difference (Z= -0.28, P>0.05) between chain & non-chain group of hotels. Employees of both types of hotels were found to be highly satisfied regarding their work environment in the respective hotel. Thus, null Hypothesis H03 there is no significant difference in work environment in chain and non-chain hotels is accepted.

FINDINGS

- About work environment, positive correlation between job satisfaction and work environment was found. If hotel provides a good and healthy work environment satisfaction level will be high.
- It has been viewed that there is no significant difference in work environment in chain and Non-chain hotels. They are found highly satisfied regarding their work environment.

CONCLUSION

Research paper concludes that work environment has positive impact on employee’s satisfaction whether it is Chain or Non-chain hotel. If good working environment is provided to employees, the level of satisfaction and happiness will increase.

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FLOWER BUSINESS AND ITS CHALLENGES IN INDIA: A SNAPSHOT

Biswajit Paul13

ABSTRACT

Indian economy is agro based and flower is the first ranking crop. Area of flower culture has been increasing gradually. Flower based industries are developing day by day. For that reason, cultivation, business and marketing of flower in organized way is more important. In very simple terms, Floriculture or flower farming as it is popularly called is a discipline of Horticulture, and is the study of growing and marketing flowers and foliage plants. Floriculture includes cultivation of flowering and ornamental plants for sales or for use as raw materials in cosmetic and perfume business and the pharmaceutical sector. In India, Floriculture business comprises flower trade, production of nursery plants and potted plants, seed and bulb production, micro propagation and extraction of essential oils. Though the annual domestic demand for the flowers is growing at a rate of over 25% and international demand at around Rs 90,000 crore India’s share in international market of flowers is, negligible India has a blooming future as far as floriculture is concerned. By keeping this view, this topic has been chosen and the research will provide in-depth knowledge on different important issues and challenges and future prospects of flower business in India. This study is purely desk-based conceptual one and based on secondary data like journals, research articles, different government reports, semi government reports, books, different websites etc. This study may be enriched by highlighting different other research aspects of this area of study by considering primary data in future.

KEYWORDS

Floriculture, Horticulture, Ornamental Plants etc.

PROLOGUE

Flowers are associated with humankind from the dawn of civilization. Flowers are used for various purposes in our daily life like worshipping religious and social function, wedding ceremony, interior decoration and self-adornment. Floriculture is the aesthetic branch of horticulture, which deals with not only cultivation or ornamental, annuals biennials, and perennial plants but also their marketing. It includes cultivation of flowering and ornamental plants for sale or for use as raw materials in the cosmetics business as well as pharmaceutical sector. Floriculture in India is being viewed as a high growth business as well. Commercial floriculture is becoming important from the export angle. The liberalization of industrial and trade policies paved the way for development of export-oriented production of flowers. The new seed policy had already made it feasible to import planting materials of international varieties. The Government of India offers tax benefits to new export oriented floriculture companies in the form of income tax holidays and exemption from certain import duties. According to a report of the Agricultural and Processed Food products Exports Development authority (APEDA), the total business of floriculture products in India was Rs 253 million in 2004 and the West Bengal ranked 4th position in that year to export after Karnataka, Tamil Nadu, and Andhra Pradesh.

LITERATURE REVIEW

S. Bhattacharjee (1993)1 carried out a study to estimate the cost of cultivation; farm business income and annual new profit per acre from Rose cultivation. They have also analyzed the variations in the cost of cultivation and farm business income of the basis of different size groups, volume of business and the scale of operation.

Shukla and Jain(1996)2 carried out a study to estimate the breakup of the costs and the net revenue of the export oriented flower producing companies, which are involved mainly in the export of Rose Flowers. The study indicates that on average, the net revenues of these companies are about 30 percent.

EV Murray & KRP Rao (2006)3 highlighted the status of floriculture business and marketing and mainly export trend of fresh cut flowers in India. He also pointed out different international perspectives of that business and strategies for developing floriculture exports. According to them, if we want to encourage the floriculture sector, attention should be given equally to production/productivity factors, quality of produce and availability of quality planting material. Shaping up the growth will require highly skilled manpower at the middle and lower levels necessitating training and development. Post-harvest management systems and infrastructure need to be developed. The shelf life of flowers needs considerable improvement. On-shelf management practices must be standardized and research should focus on lowering input costs and on improving low cost indigenous systems.

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Dr. Sanjit Kumar Das (2012) compared the costs and the returns of floriculture with other traditional crops. He concluded that floriculture is improving the earning capacity of the sample farmers of these villages in the district of Purba Medinipur. Yielding high return from a small area is improving the quality of life of farmers of this locality. According to him, some farmers are shifting themselves from agriculture to floriculture because of expectation of higher income at every year. The floricultural activities in this area can be expanded and income of the farmers can be improved if their problems can be solved.

Dr. Thankham Ghule & Shreekumar Menon (2013) attempted to study the country’s present position and future potential in floriculture cultivation and exports taking into consideration the various government schemes and measures to promote this lucrative industry. They also discussed in their study the necessity to emphasize that cooperation and commitment, in terms of education, research, funding, and communication from government is necessary for Indian flower business to succeed in commercial floriculture worldwide.

As per this report (2014), West Bengal topped the production of cut flowers with over 250 crore of them across India, clocking the highest compounded annual growth rate (CAGR) of over 597 per cent between 2007 and 08 and 2011-12, according to a recently concluded study by apex industry body Assocham. "West Bengal has also emerged number one with the highest share of about 34 per cent in production of over 740 crore cut flowers throughout the country as of financial year 2011-12. Production of cut flowers in India is growing at a CAGR of over 14 per cent," according to the study titled 'Value addition to rural economy: The promise of floriculture.' “Festivals, weddings, large-scale political functions and other special occasions are driving demand for cut flowers as they are mostly used for decorative purposes, as gifts/bouquets for formal events,” said DS Rawat, national secretary general of Assocham. "Though the initial investment is very high, flower production gives much higher returns than traditional crops. However, one has to wait for four to five years for breakeven," Rawat, said. West Bengal is ranked eighth in terms of production of loose flowers, with the state producing about 64,000 tons loose flowers, clocking a CAGR of over 7 per cent during the period mentioned. However, the area under flower production in West Bengal has shrunk from about 27,000 hectares in 2007-08 to about 24,000 hectares in 2011-12, registering a fall at a CAGR of over 3 per cent, pointed out the study prepared by the Assocham Economic Research Bureau (AERB).

Apart from this, the share of West Bengal's area under flower production across India has also plummeted by 7 per cent during the period, dipping from 16.5 per cent in 2007-08 to 9.4 per cent in 2011-12. It is estimated that about two lakh people are involved in cut flower production in the state, which enjoys diverse agro-climatic conditions suitable for flower production. Dedicated cold storage facilities for flowers near the main production centers would give a boost to flower exports from West Bengal, besides promotion of biotechnology, especially tissue culture and genetic engineering, noted the Assocham study.

At present, the requisite conditions are ripe enough for India to enter the field of flower business since she has the prime resources of land and labour, the effective utilization of which, in the short run, can very well make her highly competitive among other countries. In this situation, financial point of view also this is conducive to the growth of Indian economy.

**RESEARCH GAP**

After having a minute details of the available literatures and also after going through the types of analyses made on the literatures, we came to a specific conclusion that no such in-depth study had been made with respect to the state of West Bengal (having some literatures based on Purba Madinipur and Nadia districts of West Bengal), which could put stress on the floriculture business in the state of West Bengal, India. We have a good number of studies and works on floriculture business. Some researchers paid due attention to the floriculture business. However, most of the studies have focused their attention on the seasonal variation in the yield, loss of flowers and plants due to various diseases etc. Some researchers have thrown some light on the present topic on particular area of floriculture business in India.

Further, it can be said that the discussion on the above literatures is broad based and identifies the importance of the business in Indian economy. However, regional problems and prospect relating to this business are not clearly discussed. This broad based study cannot identify the specific problems and necessary requirements to overcome the problems of the business of the particular region. Here is required a region based in depth study to understand existing factors faced by the business and help is finding out some effective issues and challenges for its improvement -economic and social.

**OBJECTIVE OF THE STUDY**

Given this backdrop, the objective of the paper is to highlight the basic research gap broadly the changing scenario of economic sustainability of flower business in West Bengal:

- To study the present status of floriculture business in India.
- To discuss some important issues related to flower business.
- To point out the challenges faced by the flower monger.
To recommend proper tricks for overcoming the present constraints and explore the future prospects of flower business.
To suggest suitable strategies to modern facilities required to harness potentials of flowers in our country.

METHODOLOGY OF STUDY

The present study is descriptive in nature. The data used for the study is secondary in nature and has been collected from Ministry of Agriculture, Government of India, New Delhi, Indian Horticulture Database and National Horticulture Board, Ministry of Agriculture, Government of India, different report on trend and progress of floriculture in India, various reputed journals, newspapers and websites of Agriexchange, APEDA (Agricultural and Processed Food Products Export Development Authority).

FLOWER BUSINESS IN INDIA

India is bestowed with several agro-climatic zones conducive for production of sensitive and delicate floriculture products. During the decade after liberalization floriculture industries took giant steps in the export arena. This era has seen a dynamic shift from sustenance production to commercial production. We find this floriculture business in India for a long time. References of flowers, their cultivation and varied uses are found in ancient Sanskrit classics like the Rig- Veda, Ramayana, Mahabharata, Mrichchakatikam and Abhigyan Shaktuntalam. The social and economic aspects of flower growing were, however, recognized much later. The offering at places of worship, exchange of flowers on all social occasions, use of flowers for making garlands and for home decoration have become integral part of human life. With changing life styles and increased urbanization, floriculture has assumed a definite commercial status during the past few decades. Appreciation of the potential of commercial floriculture has resulted in the blossoming of this field into a viable agribusiness option.

In India, Floriculture business comprises flower trade, production of nursery plants and potted plants, seed and bulb production, micro propagation and extraction of essential oils. However, the annual domestic demand for the flowers is growing at a rate of over 25% and international demand at around Rs 90,000 crore India’s share in international market of flowers is negligible. However, India is having a better scope in the future as there is a shift in trend towards tropical flowers and this can be gainfully exploited by country like India with high amount of diversity in indigenous flora. The following Table 1 is presenting the status of loose and cut flower production in different states of our country.

Table-1: State wise Flower (Loose and Cut) Production for last Four Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ANDAMAN &amp; NICOBAR</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.3</td>
<td>0.0</td>
<td>0.2</td>
<td>0.0</td>
</tr>
<tr>
<td>ANDHRA PRADESH</td>
<td>34.9</td>
<td>224.4</td>
<td>53.2</td>
<td>204</td>
<td>136.3</td>
<td>30.0</td>
<td>15.7</td>
<td>106.1</td>
</tr>
<tr>
<td>ARUNACHAL PRADEN</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>1.9</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>ASSAM</td>
<td>1.8</td>
<td>31.7</td>
<td>20.8</td>
<td>20.0</td>
<td>62.7</td>
<td>3.5</td>
<td>2.8</td>
<td>22.8</td>
</tr>
<tr>
<td>BIHAR</td>
<td>1.0</td>
<td>10.2</td>
<td>1.8</td>
<td>7.6</td>
<td>2.7</td>
<td>1.4</td>
<td>1.3</td>
<td>2.8</td>
</tr>
<tr>
<td>CHHATTISGARAN</td>
<td>9.8</td>
<td>37.8</td>
<td>10.0</td>
<td>1.1</td>
<td>45.7</td>
<td>0.0</td>
<td>11.0</td>
<td>50.0</td>
</tr>
<tr>
<td>D &amp; N HAVELI</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>DAMAN &amp; DIU</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>DELHI</td>
<td>5.5</td>
<td>5.7</td>
<td>5.8</td>
<td>5.7</td>
<td>5.8</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>GOA</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>GUJARAT</td>
<td>17.3</td>
<td>149.3</td>
<td>0.0</td>
<td>17.3</td>
<td>163.6</td>
<td>0.0</td>
<td>18.8</td>
<td>177.6</td>
</tr>
<tr>
<td>HARYANA</td>
<td>6.5</td>
<td>64.7</td>
<td>13.1</td>
<td>6.5</td>
<td>65</td>
<td>11.3</td>
<td>6.1</td>
<td>62.9</td>
</tr>
<tr>
<td>HIMACHAL PRADESH</td>
<td>0.9</td>
<td>37.7</td>
<td>9.8</td>
<td>0.8</td>
<td>28.1</td>
<td>12.4</td>
<td>0.8</td>
<td>27.2</td>
</tr>
<tr>
<td>JAMMU &amp; KASHMIR</td>
<td>0.9</td>
<td>0.4</td>
<td>1.8</td>
<td>0.8</td>
<td>4.1</td>
<td>1.8</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>JHARKHAND</td>
<td>1.6</td>
<td>22.0</td>
<td>9.5</td>
<td>1.6</td>
<td>22.0</td>
<td>9.5</td>
<td>1.6</td>
<td>22.0</td>
</tr>
<tr>
<td>KARNATAKA</td>
<td>29.7</td>
<td>207.5</td>
<td>72.2</td>
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Sources: Authors Compilation
Problems Faced by Flower Businessman

There are so many problems; first, the area under floriculture is rapidly increasing in the State. The favourable factors for this development are plenty. Conducive climatic conditions, raising demand for flowers, rise in per capita levels of income, highly remunerative nature are some of the factors inducing the farmers to shift their low-income crops to high valued flower crops. However, much attention has not been devoted to provide infrastructural facilities needed for the development of the sector in the villages. The field level data or the perceptions about the various infrastructure facilities speak about these shortcomings. These are coming in the way of development of floriculture and hampering the prospects of growers and villages. These problems are being discussed below:

Lack of Fund
Until date, this type of business has not come in the light of mainstream business. That means no financial support they are getting from Government, different NGOs, any other financial institutions. Most of the rural flower growers fail to get external funds due to absence of tangible security and credit in the market. Financial challenges are most important constraints and the other option you can think of is a loan but bank loan is not at all an option in India for new small entrepreneurs.

Social Challenges
Family challenges are always at the top because that is what matter the most but at times social challenges also are very important. Let us say you and your friend graduated at the same time. You opted flower business in your locality and your friend opted for a job. He now has a flat, car and what not because he could easily get those with a bank loan but you still have nothing to show off and this is where the challenge comes.

Lack of proper Transport
A good network of roads from the village to market places is essential for the overall development of the villages. It is equally important and necessary for the quick disposal of highly perishable flowers. However, in the field area, 32.15 per cent of the farmers expressed that they have been deprived of proper approach roads. Among these, 16.07 per cent indicated that the roads had not been mettled. When asked about their opinion on transport facilities, about 79.43 per cent said that they were facing transport problems. Among them, lack of vehicles and high transport charges were indicated as major problems.

Lack of Storage
Specifically in our state, storage facilities are pre-requisite for maintaining the freshness of the flowers particularly the modern flowers. However, the flowers covered in the study are traditional varieties, which do not require this facility. The reason being that the farmers grow only a small quantity and dispose them quickly. However, a small proportion of the traditional flower producers (21.44 per cent) expressed that they did not have sufficient place even to keep their small quantity of produce. Cold storage facilities are very essential for the flowers to maintain freshness, quality, texture and life span. However, either none of the flower growers had possessed these facilities or the Government had provided such facilities.

Lack of Material
The sample growers’ impressions on packing material availability indicated that a majority of the growers did not face any problem. However, 8.93 per cent of them maintained that there was lack of improved packing materials and high cost of materials. The observation in the field shows that a majority of the farmers were packing their produce in polythene bags or gunny bags for marketing, which they already possessed. As far as the planting materials were concerned, majority of the farmers expressed the non-availability of quality seeds and improved varieties of planting materials.

Lack of proper Marketing Channel
In respect to market, the sample growers expressed single or combination of constraints that they faced in market. The prominent single constraint expressed was more commission followed by intermediaries problem and deduction of more charges. Some sample farmers mentioned that the agents did not take the consent of the farmers while selling the produce to a particular price. Regarding market information, per capita of the sampled growers has been sought. The discussion with the farmers revealed that they were able to get some information from the fellow producer who visited the market on the previous day. This indicates that the growers were not getting day-to-day information about the prevailing demand in the market.

Flower Diseases
There has been a growing concern among the farmers about increasing pests and diseases to the floricultural crops. They have little knowledge about the appropriate pesticide for the controlling these of diseases. They disclosed that the prices of pesticides were high but the quality was low. The diseases reported by growers have been shown in Table 2.
Future Prospects of Flower Business in India

Indian floriculture business comprises of flowers such as Rose, Tuberose, Glads, Anthurium, Carnations, and Marigold etc. Cultivation is undertaken in open farm conditions as well as state-of-the-art poly and greenhouses. India's total export of floriculture was Rs. 460.75 crores in 2014-15. The major importing countries were United States, Netherlands, Germany, United Kingdom, United Arab Emirates, Japan and Canada. There are more than 300 export-oriented units in India. Agricultural and Processed Food Products Export Development Authority (APEDA), is responsible for export promotion and development of floriculture in India. More than 50% of the floriculture units are based in Karnataka, Andhra Pradesh and Tamil Nadu. With the technical collaborations from foreign companies, the Indian floriculture business is poised to increase its share in world trade. Floriculture is flourishing in the country as well as in the state. It has bright future and prospects. The following present features and developments would definitely support this view:

- India can come out as a major producer, exporter of flowers and allied materials as it has several advantages such as favourable climate to grow different flowers throughout the year, cheap labour, rapid urbanization, huge scientific and managerial talent and strategically located for exports, good demand for this natural product, eco-friendly product, having prolonged shelf life particularly the modern cut-flowers which are widely accepted globally.
- We find an upward trend in area and production of traditional and modern flowers. This would grow further.
- The flower exports of the country, which were few lakhs a decade back, became crores after 1990s. This trend is showing increasing demand for our flowers in other countries.
- Domestic markets have also started absorbing the modern flowers besides expanding. People are using the modern flowers even in small functions. The general consumption and use of flowers from various segments increased because of improvement in rising income levels or general level of well-being in the country and increased affluence particularly among middle class and this is likely to increase further. This is evident from emerging strong domestic market in recent years, which also indicates better prospects. Domestic markets for cut flowers are witnessing marked pick up.
- Religion is emerging as one of the major reasons for the increasing demand for the modern flowers. This is evident from the use of these flowers in different famous temples in our state such as Kalighat Temple, Dakshineswar Temple etc.

As per report7, West Bengal has been the highest producer of cut flower of over 250 crore pieces in the domestic market and recorded the highest Compounded Annual Growth Rate (CAGR) of over 597% during Five year period of 2007-08 and 2011-12. West Bengal was also at the top in terms of share of flowers production (about34%) in Country’s total output of 740 crore pieces in 2011-12 in industry body said.

West Bengal ranked 18th in terms of production of loose flowers. The state production about 64000 tons loose flowers clocking CAGR of over 7% during the aforesaid period. Share of West Bengal in the area under flower production across India also plummeted by 7% during the period from about16.5% share in 2007-08 it came down to 9.4% in 2011-12, the study said.
FINDINGS OF THE STUDY

Through this paper, it has been found that if we consider the exports of modern floricultural products then there are on the rise in the last 7 to 8 years. However, the business is not performing well and many units have become sick. In the last few years, most of the units have lost their fragrances and a large number of units have been closed down (Anonymous 2001:62). This has been attributed to their poor performance. The factors that have contributed to this situation are Transport Constraints, Destination Problems, High Cost of Production and High Duties, Heavy Dependence on Imported Technology and Lack of Experience etc.

EPILOGUE

By taking into consideration the above problems, it may be concluded Government of India along with the State Government and different NGOs should come up with number of specific schemes of funding to robust the floriculture business from different angle specifically in rural area for a balanced rural development and only time will tell its effects and ramifications on the Indian economy. There is a lot of scope for further empirical researches on this issue by considering primary data which have not been considered in the present study due to lack of time. A lot of work has been done but we have miles to go before we can boast of achievements in this sunshine business.

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A BRIEF OVERVIEW OF THE 2016 REGULATORY TRENDS IN BANKING

Regulatory expectations continue to rise, with increased emphasis on each institution’s ability to respond to the next potential crisis. Regulatory supervision, often through oversight from multiple regulators, has moved beyond the planning phase and is now focused on tools and implementation supported by strong ethics, culture, and related accountabilities at every level of the organization.

Governance and Risk Management

Many bank managers continue to face challenges in implementing a comprehensive enterprise-wide governance program that meets regulatory expectations. These expectations are outlined by the Federal Reserve Board (FRB) in its Enhanced Prudential Standards (EPS) rule, and by the Office of the Comptroller of the Currency (OCC) in its Heightened Standards (HS) formal guidelines, as well as by other sources including the FRB’s Supplemental Policy Statement on Internal Audit, regulatory speeches, and direct communications with the banks.

Although it is most clearly articulated in the OCC’s HS guidelines, many regulators are communicating expectations for large bank risk management frameworks that include well-defined roles and responsibilities for the three lines of defense: front-line units, independent risk management (which includes compliance), and internal audit.

In the front-line units, gaps sometimes exist between regulatory risk management expectations and bank practices. Regulators expect front-line units to own and be accountable for managing the risks in their business lines. Since the front line creates risks for banks, it needs to own and be accountable for those risks. In addition, since the risk environment is constantly changing, the front line is expected to conduct ongoing risk assessments to determine if additional actions are needed to strengthen risk management strategies and processes.

ABSTRACT

Risk is the basic factor in the banking sector. The role of risk is increasing tremendously because of growing enterprises. The need for financial assistance is required. Keeping in view of this consequences, this paper is been produced which focuses on the regulatory trends in banking sector and key issues related to the risk management. It also tries to explain the recovery mechanism used for the effective and efficient management of risk. It also suggests the remedial measures to be taken or involved and its impact on the culture and ethics. Many bank managers continue to face challenges in implementing a comprehensive enterprise-wide governance program that meets regulatory expectations. In the wake of the financial downturn, regulators have been pushing banks to formalize their capital-planning and stress-testing processes to help ensure their ability to weather future severe downturns while continuing to lend. Banks’ ongoing efforts to develop and integrate these critical processes into day-to-day operations have significantly influenced their key decisions and business strategies. In the wake of the financial downturn, regulators have been pushing banks to formalize their capital-planning and stress-testing processes to help ensure their ability to weather future severe downturns while continuing to lend. Banks’ ongoing efforts to develop and integrate these critical processes into day-to-day operations have significantly influenced their key decisions and business strategies. The Consumer Financial Protection Bureau (CFPB) has transitioned from a new regulatory agency into a force that is transforming the landscape for consumer financial products. The use of sophisticated financial models for making key decisions in the banking industry continues to accelerate. Based on lessons learned from the financial downturn, regulators now expect banks to develop better tools to measure and monitor risk.

KEYWORDS

Financial Stability Board (FSB), Comprehensive Capital Analysis and Review (CCAR), National Institute of Standards and Technology (NIST), Central counterparties (CCPs), Mortgage servicing assets (MSAs)/Federal Housing Finance Agency (FHFA) etc.

management practices or reduce risk. The independent risk management function shares responsibility for overseeing and assessing the firm's risks, but it should not be viewed as a substitute for robust risk management within the business lines.

For some banks, the front-line culture has traditionally been less focused on managing risk and more concerned about activities that generate revenue or reduce expenses. Finding the right balance might require a cultural shift in some organizations. (For details, see the “Culture and ethics” discussion.) Elevating the front line’s role as a stakeholder in the overall governance and risk management process has a number of potential benefits. Since the front-line units have the most intimate knowledge of the business, getting them more involved in the process can enable more timely and insightful strategic risk adjustments. It also helps put everyone on the same page from a risk management perspective, allowing the independent risk management function to focus its attention on enterprise-level risk issues and on instances where its views differ from those of the business units.

“A key to sustainable risk governance is developing, attracting, and retaining talent. Regulators are increasingly looking at staffing levels, training, compensation structures, and performance management programs to determine if they promote a sound risk culture. Also, proper messaging of risk considerations in compensation and training programs is important - including clear messaging about negative repercussions where warranted”.

Culture and Ethics

Many of the problems and failures during and after the financial downturn - some of them criminal - were rooted in poor cultural foundations. In response, US banking regulators, the Financial Stability Board (FSB), and the Basel Committee on Banking Supervision are increasingly focusing on the importance of culture at banking institutions.

A sound culture and well-understood ethics framework can help reduce regulatory problems, fines, and litigation. However, instilling an appropriate culture should not be viewed as a compliance exercise or a standalone work stream or project. Rather, it must be a fundamental firm-wide mindset. Firms should not just be asking, “is it legal?”. They should be asking, “is it consistent with our values for treating our customers and the community?” Over time, good ethical behavior will enhance the firm’s reputation and trust.

Key Elements of a Sound Culture Includes:

- Appropriate “tone from the top,” including board and executive management’s articulation and oversight of values, conduct, and behaviors.
- Directors and an executive team who work to determine whether there is a strong and consistent “echo from the bottom.”
- Compensation and promotion practices that balance revenue and profitability goals with ethical behavior and conduct; there should be strong incentives for desired behaviors and clear negative consequences for improper conduct—whether deliberate or just irresponsible.
- A risk appetite statement that contains clear and well understood values and conduct standards; all employees at the firm should be held accountable for actions that are inconsistent with the standards.
- An effective three lines of defense governance framework that incorporates the bank’s culture, ethics, and conduct standards.

Capital Planning and Stress Testing

In the wake of the financial downturn, regulators have been pushing banks to formalize their capital-planning and stress-testing processes to help ensure their ability to weather future severe downturns while continuing to lend. Banks’ ongoing efforts to develop and integrate these critical processes into day-to-day operations have significantly influenced their key decisions and business strategies.

In its first iteration, the Federal Reserve’s supervisory efforts to review capital plans through its Comprehensive Capital Analysis and Review (CCAR) program might have seemed like little more than a way to push banks to hold more capital. However, over time it has become much more than that. CCAR now provides an essential view for the FRB to understand how well risk management within a firm is actually operating. In particular, the elements of capital planning provide insights about how the first line of defense (front-line units), second line (independent risk management), and third line (internal audit) are functioning to ensure the organization is well controlled and well managed. CCAR provides transparency into how the firm debates and makes decisions about business strategy, the implications of stress test results, and planned capital actions. In addition, CCAR helps the FRB understand how the board sets the firm’s risk appetite and how it oversees and challenges senior management.
“An effective capital planning and stress-testing process requires a firm to combine and coordinate a variety of business lines as well as functional areas - including risk, finance, and internal audit - all working in concert toward the ultimate goal of creating a credible capital plan.”

Recovery and Resolution Planning

Large financial institutions are focusing intensely on recovery and resolution planning. The purpose of such plans is to help those firms respond quickly to stress events and, in cases where a firm’s response ultimately proves inadequate, to help the business be resolved in an orderly manner. FDIC Chairman Martin Gruenberg has stated that for regulatory agencies, there is no higher priority coming out of the prior financial downturn.

Recovery and resolution planning requirements for the largest banking organizations can have three distinct elements:

Dodd-Frank Act Title I Resolution Planning: Large domestic bank holding companies and foreign banking organizations (FBOs) operating in the US with total assets of $50 billion or more as well as nonbank financial companies designated by the Financial Stability Oversight Council (FSOC) are required to prepare annual resolution plans, also referred to as “living wills,” under Title I of the Dodd-Frank Act. The plans must demonstrate that the firm could be resolved under bankruptcy without severe adverse consequences for the financial system or the US economy. The FRB and the FDIC evaluate these plans jointly.

In August 2014, the FRB and FDIC, for the first time, provided firm-specific feedback to institutions on the credibility of their resolution plans. They identified serious shortcomings and warned that if the firms failed to address those shortcomings in their 2015 plan submissions, the agencies would exercise their authority under the Dodd-Frank Act and find the plans “not credible.” Such a finding could lead to increased capital and liquidity requirements, restrictions on growth and business activities, and possibly even require divestitures in the end. The agencies noted that prior plan submissions included unrealistic or inadequately supported assumptions and those firms had failed to take - or even identify - actions that would improve their resolvability. Through subsequent communications in late 2014 and early 2015, the agencies clarified their expectations for 2015 submissions and established a July 2017 deadline for firms to be operationally ready to be resolved.

Recovery Planning: The eight largest domestic bank holding companies are required to proactively plan and prepare for severe stress. This includes developing a menu of actions that would enable a firm to respond to a wide range of internal and external stresses. The FRB evaluates these plans. In September 2014, the FRB issued SR 14-8 establishing broad expectations for this requirement, including incorporation of recovery planning into a firm’s business-as-usual corporate governance, risk management, and operating processes; linkage of recovery planning to other contingency and strategic planning activities; and testing of recovery option effectiveness.

Insured Depository Institution (IDI) Resolution Planning: Insured depository institutions (banks and thrifts) with $50 billion in assets are required to prepare annual plans that would enable the FDIC, as receiver under the Federal Deposit Insurance Act, to resolve the institution, should it fail, in an orderly manner that minimizes losses to creditors including the deposit insurance fund. The FDIC evaluates these plans. In December 2014, the FDIC issued new guidance that substantially increased expectations for a combined US view presents significant data and translation challenges that most firms have never faced before.
The good news is that creating a new organization also provides an opportunity for a firm to take a fresh look at each element of its US operations and then decide whether that element should be streamlined or perhaps discontinued if it is not creating enough value for the parent.

**Consumer Protection**

The Consumer Financial Protection Bureau (CFPB) has transitioned from a new regulatory agency into a force that is transforming the landscape for consumer financial products. As such, the bureau’s actions and direction are of great importance and interest to banks and nonbanks alike.

A wide range of products is affected by CFPB activities. One example is mortgage lending, including transformative requirements for “ability-to-pay underwriting” and enhanced servicing standards, along with new integrated mortgage disclosure requirements. Another example is credit card lending, which faces new disclosure requirements and fee limits, as well as continued focus on add-on products sold through third-party vendors. Transformation also appears to be underway in other business lines, such as indirect automobile lending, where new loan pricing practices are being driven by CFPB settlements. In addition, the CFPB is following a now familiar pattern of announcing a focus on student lending and servicing.

The principal tools that the CFPB continues to use to fulfill its consumer protection mandate are:

- The adoption of new rules,
- Enforcement actions involving high dollar restitution requirements and fines,
- Collection of consumer complaint data and other market information.

**Cyber Threats**

Cyber security is a major issue in banking and a top priority for regulators. However, because technology threats evolve too quickly to legislate against, regulators are largely addressing the challenge by expecting banks to adhere to excellent standards from organizations such as the National Institute of Standards and Technology (NIST).

In 2014, the NIST released a preliminary framework that provides guidelines and leading practices for thwarting cyber threats. Banks are expected to incorporate these and other leading standards and practices into their cybersecurity programs. Those that fail to do so face action from regulators, which have broad authority to ensure banks have adequate governance and risk management capabilities—including the ability to effectively manage cyber risks. Regulatory scrutiny is especially high for systemically important financial institutions (SIFIs), which are expected to follow the highest possible cybersecurity standards.

On March 30, 2015, federal banking regulators through the Federal Financial Institutions Examination Council (FFIEC) issued a bulletin warning institutions of the growing trend of cyber-attacks designed to obtain online credentials for the purpose of theft, fraud, or business disruption. The bulletin also recommended specific techniques to mitigate risk. A few months later, the FFIEC introduced its Cyber security Assessment Tool (CAT) which allows banks to assess their cyber security capabilities against a standard framework and maturity model, helping them identify key risk areas and opportunities for improvement.

To stay in front of cyber threats, banks need to do more rigorous testing; establishing policies, procedures, and controls is not enough. Effective cybersecurity has three stages:

- **Secure**: Getting controls in place.
- **Vigilant**: Monitoring and adjusting for new threats.
- **Resilient**: Responding effectively when an attack occurs.

Many organizations focus on the first stage, but forget about the last two once their systems have been secured. That is a mistake. Cyber threats are constantly evolving so firms need to keep looking for vulnerabilities and making adjustments. In addition, every organization is vulnerable to attack - no matter how good its security is - so it is important to test not only its controls but also how the organization responds to a cyber crisis.

**Data Quality, Analytics, and Reporting**

Expectations related to data quality, risk analytics, and regulatory reporting has risen dramatically since the financial downturn. At a minimum, regulators now expect reporting for capital, liquidity, and resolution planning to be more timely, accurate, and precise. Simply having the raw data is not enough; firms must be able to aggregate the data and perform advanced analysis in order to inform key decisions.
The largest banks have long faced these higher expectations, which were formally laid out in international guidance by the Basel Committee for Banking Supervision in 2013 (BCBS 239). However, in recent years regulatory reporting problems across the banking industry have more broadly called into question the credibility of data used for capital distributions and other key decisions. The FRB in particular is requesting specific details on the data quality controls and reconciliation processes that firms are using to determine the accuracy of their regulatory reports and capital plan submissions. The Federal Reserve recently proposed requiring specific attestation requirements by CFOs or their equivalents for the key stress-testing reports.5

Improving the quality and timeliness of data and analytics requires proper planning and direct attention from management, as well as significant investment in IT infrastructure and the firm’s subject matter expertise.

At most firms, there are significant opportunities to retire costly legacy systems, reduce headcount for manual interventions, and avoid reputational risk with regulators and the public. Having more timely risk data and analytics is essential for making risk/return tradeoff decisions that maximize resiliency and shareholder returns.

Model Risk Management

The use of sophisticated financial models for making key decisions in the banking industry continues to accelerate. In 2011, the FRB and OCC issued guidance codifying the need for firm-wide standards about how such models are developed, validated, and used and requiring that model-related risks be well understood. This guidance now represents the minimum of what regulators expect in the area of model risk management.

Regulatory pressure has intensified even further over the past few years. In particular, regulators have been working hard to ensure that firms:

- Define clear roles for managing model risk across the three lines of defense.
- Establish comprehensive model inventories.
- Validate and review models with appropriate frequency.

The FRB and OCC gain insights about the effectiveness of model risk management practices and approaches through both targeted reviews and annual CCAR exams.

Key activities include:
- Establishing specific policies for identifying, developing, validating, and using models.
- Defining the roles of the three lines of defense.
- Communicating the approach throughout the organization.

Credit Quality Concerns

Although credit quality indicators remain favorable overall, regulators are increasingly concerned about gradual erosion in underwriting standards. In particular, regulators have voiced specific concerns about leveraged lending and auto finance underwriting.

Based on lessons learned from the financial downturn, regulators now expect banks to develop better tools to measure and monitor risk. This includes more rigorous credit portfolio analysis, increased stress testing, and more robust concentration management. The expected outcome of these enhanced portfolio management practices is a better understanding of the bank’s risk exposure and loss volatility in a severe downturn. Regulators expect a bank to assess its stress test results against its risk appetite and to make appropriate adjustments as needed.

Here are some specific actions that firms can consider taking now to reduce the likelihood of trouble down the road:

- Understand the increased regulatory expectations for portfolio management, including portfolio stress testing and concentration management.
- Determine compliance with interagency guidance for leveraged lending and engage with regulators to identify and address emerging industry regulatory issues.
- Continue to build appropriate portfolio credit risk metrics, especially in portfolios with a high level of loss volatility, such as real estate construction and development lending. Invest in the technology necessary to enable state-of-the-art monitoring and management of credit exposures.
- Do not lose sight of credit discipline during the good times, which is the point when questionable, poorly structured loans are often booked.
The old credit maxim that 'the worst of loans are made during the best of times' has been shown to be true repeatedly, yet it is often recognized only in retrospect.

New Risks from Financial Innovation and Migration of Activities

As new regulatory requirements driven by the Dodd-Frank Act have gone into effect, some banks have exited markets and changed how they participate in other markets, often leading to an influx of nonbank financial companies that have tended to be less regulated. This shift is prompting regulators to examine the potential risks to overall financial system stability. What’s more, it creates new risks and challenges for the banks themselves, since exiting an existing market is rarely easy or instantaneous; also, shifting participation to another market presents a completely new set of risks.

The Financial Stability Oversight Council (FSOC), which was established by Dodd-Frank and charged with identifying financial stability risks, raised concerns about several of these changes in its 2015 Annual Report.

Two high-risk areas specifically cited by the FSOC report were central counterparties and mortgage servicing:

Central Counterparties (CCPs): This topic is receiving increased regulatory attention from the FSOC for the first time. In the wake of the financial downturn, regulators began requiring standardized over-the-counter (OTC) derivatives to be cleared through CCPs. Yet according to the FSOC report, while regulators have taken “significant steps … to promote strong risk management at systemically important CCPs,” the FSOC believes the failure of a CCP could pose a threat to overall financial stability. According to US Commodity Futures Trading Commission (CFTC) Chairman Timothy Massad, roughly 75 percent of interest rate and credit default swaps, as measured by notional value, are now being cleared through CCPs, compared to only 16 percent in December 2007 increasing the implications of a CCP failure for banks that participate in these markets. The FSOC recommends that the FRB, CFTC, and SEC review the “adequacy of margining, stress testing, enhanced transparency and disclosures, and cyber resilience” for CCPs, with a particular focus on bank-CCP interactions and risk management. More specifically, the FSOC recommends that agencies evaluate how banks and other clearing members “manage and account for their potential exposures to the full range of CCPs, both foreign and domestic, in which they participate.

Mortgage Servicing Assets (MSAs): Under an October 2013 final rule adopted by US regulators implementing the Basel III framework, MSAs are limited to 10 percent of common equity Tier 1 capital. MSAs in excess of this threshold must be deducted from common equity. What’s more, starting in 2018, banks will be required to apply a 250 percent risk weight to the portion of MSAs not deducted from the calculation of common equity Tier 1 capital.10 In response, banks have sold a large amount of MSAs to nonbank mortgage servicers in recent years. However, exiting the mortgage servicing market can be a long and difficult process that may give rise to due diligence burdens for banks seeking to restructure their operations through sales and divestitures. For the sake of financial stability, the FSOC noted the potential significant negative consequences of a failure for market participants and recommended that state regulators continue to monitor nonbank financial firms that acquire MSAs—and that they collaborate with the CFPB and Federal Housing Finance Agency (FHFA) on “further developing and implementing prudential and corporate governance standards” such as capital, liquidity, and risk management oversight for these companies.11

Looking forward, as banks continue to evaluate their operations and consider exiting or amending their participation in selected markets, they must stay on top of new and emerging risks from such decisions. Transitioning out of a market might make sense strategically, but the practical challenges of making it happen can be significant.

Linking Regulatory Strategy to Business Strategy

When tackling regulatory change, many organizations have traditionally operated in reactive mode, only changing in response to regulatory orders, examination comments, or other types of intense regulatory pressure. However, a number of organizations have recently started shifting toward a more proactive approach to regulatory strategy by establishing a stronger linkage to business strategy.

When tackling regulatory change, many organizations have traditionally operated in reactive mode, only changing in response to regulatory orders, examination comments, or other types of intense regulatory pressure. However, a number of organizations have recently started shifting toward a more proactive approach to regulatory strategy by establishing a stronger linkage to business strategy.

A forward-looking regulatory strategy creates opportunities to better align regulatory responses with business objectives. It can also improve efficiency and reduce regulatory criticisms. By identifying connection points between your regulatory and business strategies instead of managing regulatory strategy as a side activity; you can discover ways to achieve common objectives more efficiently and align compliance activities with your organization’s broader goals.
The first step when linking regulatory and business strategy is to clearly define and document each strategy, establishing detailed goals and action plans on how to best allocate limited resources.

Other issues to consider include short- and long-term goals, your organization’s risk appetite, and external factors such as technology advances and politics. Politics can have a particularly high impact, especially during the period leading up to a presidential election.

**Keys to Effective Strategic Alignment**

- Build a team that brings varied viewpoints on both regulatory and business goals.
- Actively look for ways to achieve both kinds of goals through shared actions.
- Share what you learn across organizational boundaries, highlighting how the two strategies are aligned for overall success and thus encouraging the entire organization to understand and drive toward common results.
- Encourage new ideas for trial runs that enhance buy-in and foster a willingness to innovate and seek joint solutions.
- Hold both plans to the same level of accountability through ongoing review and reporting.

Institutions often object to making changes just to satisfy regulators—and rightly so. However, finding ways to align regulatory strategy with business strategy is a win-win, helping you achieve compliance while at the same time improving your overall business performance.

**REFERENCES**


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An author should present an accurate account of research performed and an objective discussion of its significance, and present sufficient detail and reference to public sources of information so to permit the author's peers to repeat the work.

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(sd/-) (Editor-In-Chief)
A GRASSROOTS INITIATIVE OF EXIM BANK IN RECONNOITRING PROSPECT OF MAKE IN INDIA THROUGH AGRICULTURE

Reeva Verma16 Dr. A. K Jain17

ABSTRACT

Agriculture provides employment to majority of Indian population and food security to the nation. India has made impressive strides on the agriculture front in the past three decades. Policy support, production strategies, public investment in infrastructure, research and development, extension services, among others, have helped in increasing agricultural production, yield per hectare, and per capita food availability.

Make in India is the key to renaissance of Indian economy. It is one of the schemes to pull back the economy from graps of recession. A major contribution of ‘Make in India’ can be achieved only if agriculture sector also grows at healthy rate. Since while manufacturing can drive growth in urban areas, agriculture can enhance incomes of rural dwellers, thus leading to equitable growth in the country.

Agriculture is the largest private sector enterprise. Millions of rural families earn their livelihoods from agriculture. Global exports in agricultural products were $1,745 billion in 2013 and India ranks the fifth largest exporter of agricultural products after the US, Brazil, China and Canada. The services sector has a lion’s share of close to 60% in India’s GDP, but when it comes to net foreign exchange earnings, it is the agricultural sector that wins easily. Between 2000 and 2013, agricultural products exports sharply increased from $6 billion to $47 billion.

The objective of research paper is to analyze the contribution of Exim Bank to generate better momentum in agriculture in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage so that the objective of make in India can be achieved through Farming in India.

KEYWORDS

Indian Economy, Agriculture Production, Exim Bank, Global Exports, Research & Development etc.

INTRODUCTION

India is on the path of progress and this progress would not be achieved without taking into consideration its rural population. Within India, agriculture development varied in terms of intensity among the states. With relatively high productivity, the Indo-Gangetic Plain (IGP – mainly comprising of Punjab, Haryana, Uttar Pradesh, Bihar and West Bengal) has been the pillar of India’s agricultural economy, and a strong base for food security of the country, Punjab and Haryana have been the high productive regions of the country and the heartland of Green Revolution.

According to the National Institution for Transforming India Aayog (NITI Aayog), India’s agriculture sector is expected to grow 6 per cent in FY 2016-17 in case of normal monsoon during the June-September period. The 12th Five-Year Plan estimates the food grains storage capacity to expand to 35 MT. In addition, a 4 per cent growth would help restructure the agriculture sector in India in the next few years.

Until 2000, Indian agricultural production was determined predominantly by food security. Subsequent diversification into high-value crops has changed the complexion of our agricultural production and exports as well. India is currently the second-largest player in agricultural production in the world. Given the importance of the agriculture sector, the Government of India, in its Budget 2016–17, planned several steps for the sustainable development of agriculture.

Budget 2016-17 proposed a slew of measures to improve agriculture and increase farmers’ welfare such as 2.85 million hectares to be brought under irrigation, Rs 287,000 crore (US$ 42.11 billion) grant in aid to be given to gram panchayats and municipalities and 100 per cent village electrification targeted by May 01, 2018.
Export-Import Bank of India (Exim Bank), set up in 1982 as an apex financial institution to finance, facilitate and promote India’s international trade, has constantly strived to contribute towards India’s globalization efforts. The Bank, through its grassroots initiatives providing a marketing platform for primary producers, forest dwellers, weavers and craftsmen from marginalized and indigenous communities.

**Exim Bank as a Facilitator of Agri Exports and Government Initiatives**

The Exim bank of India initiated many schemes to address the needs of relatively disadvantaged sections of society while creating expanded opportunities for traditional crafts persons and artisans, and rural entrepreneurs of the country. Exim Bank has a dedicated Agri Business Group to cater to the financing needs of export-oriented companies dealing in agricultural products.

Financial assistance is provided by way of term loans, pre-shipment/post-shipment credit, overseas buyers' credit, bulk import finance, guarantees etc. Term loans with varying maturities are provided for setting up processing facilities, expansion, modernization, purchase of equipment, import of equipment/technology, financing overseas joint ventures and acquisitions etc.

The Bank has strong linkages with other stakeholders in agri sector such as Ministry of Food Processing Industries, GOI, NABARD, APEDA, Small Farmers’ Agri-Business Consortium (SFAC), and National Horticultural Board etc. Apart from financing, the Bank also provides a range of advisory services to agri exporters.

The government has already taken steps to address two major factors (soil and water) critical to improve agriculture production.

- Steps have been taken to improve soil fertility on a sustainable basis through the soil health card scheme and to support the organic farming scheme ‘Paramparagat Krishi Vikas Yojana’.
- Other steps include improved access to irrigation through ‘Pradhanmantri Gram Sinchai Yojana’; enhanced water efficiency through 'Per Drop More Crop'; continued support to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the creation of a unified national agriculture market to boost the incomes of farmers.
- The Government of India recognizes the importance of micro irrigation, watershed development and ‘Pradhan Mantri Krishi Sinchai Yojana’; thus, it allocated a sum of Rs 5,300 crore (US$ 777.6 million) for it. It urged the states to focus on this key sector.
- The state governments are compelled to allocate adequate funds to develop the agriculture sector, take measures to achieve the targeted agricultural growth rate and address the problems of farmers.
- The Department of Agriculture and Cooperation under the Ministry of Agriculture has inked MOUs/agreements with 52 countries including the US. These agreements would provide better agricultural facilities in areas such as research and development, capacity building, germ-plasm exchange, post-harvest management, value addition/food processing, plant protection, animal husbandry, dairy and fisheries.
- Given the correlation between improvement in agriculture and the development of the country, the Government of India adopted several initiatives and programmes to ensure continuous growth. It allocated Rs 25,000 crore (US$ 3.67 billion) for the Rural Infrastructure Development Fund (RIFD); Rs 1,500 crore (US$ 220 million) for the long-term rural credit fund, Rs 45,000 crore (US$ 6.60 billion) for the short-term cooperative rural credit finance fund and Rs 25,000 crore (US$ 3.67 billion) for the short-term Regional rural bank (RRB) refinance fund. It also marked an ambitious target of Rs 8.5 lakh crore (US$ 124.71 billion) of agriculture credit during 2015–16.

**Some of the recent major government initiatives in the sector are as follows:**

- Prime Minister Mr. Narendra Modi has unveiled the operational guidelines for the Pradhan Mantri Fasal Bima Yojana which aims to provide farmers with crop insurance as well as
- The Cabinet Committee on Economic Affairs (CCEA) has approved ‘Blue Revolution’, an umbrella scheme for integrated development and management of fisheries by Government of India, with total financial outlay of Rs 3,000 crore (US$ 440.15 million) for a period of five years.
- Ministry of Power, Coal, New and Renewable Energy has announced that government’s plans to invest Rs 75,000 crore (US$ 11.08 billion) in an energy-efficient irrigation scheme over the next three to four years.
• The new crop insurance scheme for farmers 'Bhartiya Krishi Bima Yojana' aims to cover 50 per cent of the farmers under the scheme in the next two-three years,

• India and Lithuania have agreed to intensify agricultural cooperation, especially in sectors like food and dairy processing.

• Government of India has set up an inter-ministerial committee, which will look into ways to examine the potential of Indian agriculture, identify segments with potential for growth, and work towards doubling farm incomes by 2022.

The Exim bank India has allocated Rs 200 crore (US$ 29.9 million) for electronically linking 585 major wholesale agriculture markets across the country.

• A number of new initiatives were taken up to strengthen the activities under Gramin Kirshi Mausam Sewa Project:
  - Generation of weather forecast & Agromet Advisories.
  - Dissemination of weather forecast, agromet advisories and Out Reach programmes under GKMS.
  - Launch of Nowcast Services to farmers through mKisan portal of Ministry of Agriculture.
  - Farmers’ Awareness Programme: Farmers’ awareness programmes were organized at 5 AMFUs across the country namely Lamphelpat, Seobagh, Kanpur, Navile and Vellayani. Besides, the Nodal Officers/Technical Officers participated in number of awareness programme and taken active initiatives in popularizing the GKMS. AMFUs also arranged field visits, field demonstration, and farmers’ interaction and participated in Kissan Mela.

**Agricultural Export from India**

After a consistent growth in the exports of agricultural products from India, the year 2013-14 saw a slowdown in export growth of agricultural products, mainly due to the decline in commodity prices and oversupply situation in the global market; further the import bans imposed on several Indian agricultural products by various countries could also be stated as reasons for slowdown in India’s agricultural products exports.

**Graph-1: Exports of Agricultural and Allied Products from India**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value (INR)</td>
<td>21537.26</td>
<td>21640</td>
<td>22297.48</td>
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**Sources:** Authors Compilation
### Table 1: Three Year Export Statement of APEDA Products

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>Value in Rs. Lacs</th>
<th>Qty in MT</th>
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<tr>
<td><strong>FRUITS &amp; VEGETABLES</strong></td>
<td></td>
<td></td>
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<tr>
<td>Fruits &amp; Vegetables Seeds</td>
<td>42703.8</td>
<td>10925.6</td>
</tr>
<tr>
<td>Total</td>
<td>35146.58</td>
<td>88781.03</td>
</tr>
<tr>
<td><strong>FRESH FRUITS &amp; VEGETABLES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fresh Onions</td>
<td>128810.2</td>
<td>320145.29</td>
</tr>
<tr>
<td>Other Fresh Vegetables</td>
<td>89960.34</td>
<td>211949.8</td>
</tr>
<tr>
<td>Spinach</td>
<td>3291.71</td>
<td>79131.54</td>
</tr>
<tr>
<td>Fresh Mangoes</td>
<td>50225.66</td>
<td>12710.03</td>
</tr>
<tr>
<td>Fresh Grapes</td>
<td>1581.84</td>
<td>39319.67</td>
</tr>
<tr>
<td>Other Fresh Fruits</td>
<td>30821.63</td>
<td>153815.57</td>
</tr>
<tr>
<td>Total</td>
<td>2500961.88</td>
<td>640434.02</td>
</tr>
<tr>
<td><strong>PROCESSED FRUITS AND VEGETABLES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cucumber and Gherkins (Presp. &amp; Presvd)</td>
<td>212874.79</td>
<td>59350.18</td>
</tr>
<tr>
<td>Dried &amp; Preserved Vegetables</td>
<td>84155.83</td>
<td>232145.29</td>
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<tr>
<td>Mango Pulp</td>
<td>79816.91</td>
<td>39319.67</td>
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<tr>
<td>Other Processed Fruits &amp; Vegetables</td>
<td>290333.31</td>
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</tr>
<tr>
<td>Pulses</td>
<td>160321.88</td>
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<tr>
<td><strong>ANIMAL PRODUCTS</strong></td>
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<tr>
<td>Buffalo Meat</td>
<td>129415.59</td>
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<td>Sheep/Goat Meat</td>
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<tr>
<td>Other Meat</td>
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<tr>
<td>Processed Meat</td>
<td>11921.62</td>
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<tr>
<td>Animal Casing</td>
<td>750.68</td>
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<tr>
<td>Poultry Products</td>
<td>76871.61</td>
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<td>Dairy Products</td>
<td>154220.51</td>
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<tr>
<td>Cassin</td>
<td>154220.51</td>
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<tr>
<td>Natural Honey</td>
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<tr>
<td>Albumin (Eggs &amp; Milk)</td>
<td>3013707.59</td>
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<tr>
<td>Total</td>
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<tr>
<td><strong>OTHER PROCESSED FOODS</strong></td>
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<tr>
<td>Groundnuts</td>
<td>404905.21</td>
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</tr>
<tr>
<td>Sunflower</td>
<td>331875.72</td>
<td></td>
</tr>
<tr>
<td>Jaggery &amp; Confectionery</td>
<td>128295.22</td>
<td></td>
</tr>
<tr>
<td>Cocoa Products</td>
<td>128295.22</td>
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<tr>
<td>Cereal Preparations</td>
<td>128295.22</td>
<td></td>
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<tr>
<td>Mills</td>
<td>128295.22</td>
<td></td>
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<tr>
<td>Alcoholic Beverages</td>
<td>128295.22</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Preparations</td>
<td>128295.22</td>
<td></td>
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<tr>
<td>Total</td>
<td>128295.22</td>
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<tr>
<td>Ground Total</td>
<td>1439905.21</td>
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*Source: Authors Compilation*
Indian Pulses Industry

Table-2: India’s Export for Major Pulses

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Pulses/Year</th>
<th>2013-14</th>
<th>Share in Total Pulse Export (%)</th>
<th>2014-15</th>
<th>Share in Total Pulse Export (%)</th>
<th>2015-16 (Apr-Jan)</th>
<th>Share in Total Pulse Export (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>07131000</td>
<td>Peas (Pisum Sativum)</td>
<td>0.85</td>
<td>3.01</td>
<td>0.25</td>
<td>3.91</td>
<td>1.76</td>
<td>5.52</td>
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<tr>
<td>07132000</td>
<td>Chickpeas (Garbanzos)</td>
<td>333.82</td>
<td>97.18</td>
<td>190.23</td>
<td>85.64</td>
<td>171.81</td>
<td>87.34</td>
</tr>
<tr>
<td>07133100</td>
<td>Moong/Urad</td>
<td>1.66</td>
<td>0.48</td>
<td>4.25</td>
<td>1.91</td>
<td>5.63</td>
<td>2.86</td>
</tr>
<tr>
<td>07134000</td>
<td>Lentils (Mosur)</td>
<td>0.73</td>
<td>0.21</td>
<td>7.98</td>
<td>3.59</td>
<td>3.94</td>
<td>2.00</td>
</tr>
<tr>
<td>07136000</td>
<td>Pigeon Peas (Tur)</td>
<td>0.1</td>
<td>0.03</td>
<td>1.22</td>
<td>0.55</td>
<td>2.75</td>
<td>1.39</td>
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<tr>
<td>Total Pulses</td>
<td></td>
<td>343.5</td>
<td>222.14</td>
<td></td>
<td>196.71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Chickpeas contribute the single largest share in India’s export basket of pulses registering 97.18% and 85.64% share in the total pulses export during 2013-14 and 2014-15 respectively.

Table-3: India’s Import for Major Pulses

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Pulses/Year</th>
<th>2013-14</th>
<th>Share in Total Pulse Import (%)</th>
<th>2014-15</th>
<th>Share in Total Pulse Import (%)</th>
<th>2015-16 (Apr-Jan)</th>
<th>Share in Total Pulse Import (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>07131000</td>
<td>Peas (Pisum Sativum)</td>
<td>1330.43</td>
<td>36.40</td>
<td>1951.97</td>
<td>42.57</td>
<td>1984.59</td>
<td>38.68</td>
</tr>
<tr>
<td>07132000</td>
<td>Chickpeas (Garbanzos)</td>
<td>276.13</td>
<td>7.56</td>
<td>418.87</td>
<td>9.14</td>
<td>913.24</td>
<td>17.80</td>
</tr>
<tr>
<td>07133100</td>
<td>Moong/Urad</td>
<td>624.12</td>
<td>17.08</td>
<td>622.88</td>
<td>15.58</td>
<td>504.38</td>
<td>9.82</td>
</tr>
<tr>
<td>07134000</td>
<td>Lentils (Mosur)</td>
<td>708.71</td>
<td>19.39</td>
<td>816.46</td>
<td>17.80</td>
<td>1132.95</td>
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<tr>
<td>07136000</td>
<td>Pigeon Peas (Tur)</td>
<td>465.61</td>
<td>12.74</td>
<td>575.22</td>
<td>12.54</td>
<td>404.27</td>
<td>7.88</td>
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<tr>
<td>Total Pulses</td>
<td></td>
<td>3654.78</td>
<td>4584.84</td>
<td></td>
<td>5130.56</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Note: Peas (Matar) forms a major share in the total import of pulses.

Fourth Advanced Estimates Source: Ministry of Agriculture.

In the export basket of pulses, chickpeas are the majorly exported pulse from India, and in the year 2015-16 chickpeas accounted for approximately 90% of the aggregate value of pulses exported. India imports substantial amounts of pulses for its domestic consumption.

Coarse Grains

Global trade (exports) in coarse grains in 2015/16 (July / June) is forecast at 169 million tons, displaying a decline of 3.6 percent from the record high of around 175 million tons in 2014/15. Among the major coarse grains, world trade in maize is expected to reach 126 million tons, exhibiting a fall of 1.6 percent from the previous season’s record. Shipments of barley are expected to fall by 13 percent from the 2014/15 level of 29 million tons, to 25.5 million tons. Trade in sorghum is predicted to reach 12.5 million tons. For other coarse grains, the variation in trade volumes from the previous season is expected to be small.

Global Spices Industry

Spices are primarily export-oriented products that are used in food and beverages, cosmetics, medicines, flavoring, feeds, and perfumery. The growing importance of aroma in cuisines and the high demand for ethnic foods are driving the growth of this market. The market was valued at US$ 7.44 billion in 2014.
Global Export of Spices

<table>
<thead>
<tr>
<th>HS Code</th>
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<th>2012</th>
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<td>Pepper, peppers and capsicum.</td>
<td>2.3</td>
<td>3.3</td>
<td>3.6</td>
<td>3.6</td>
<td>4.2</td>
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<tr>
<td>0910</td>
<td>Ginger, saffron, turmeric, thyme, bay leaves &amp; curry.</td>
<td>2.0</td>
<td>2.2</td>
<td>1.8</td>
<td>2.1</td>
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</tr>
<tr>
<td>0908</td>
<td>Nutmeg, mace and cardamoms.</td>
<td>0.6</td>
<td>0.8</td>
<td>0.7</td>
<td>0.6</td>
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<tr>
<td>0909</td>
<td>Seeds of anise, badian, fennel, coriander, cumin, etc.</td>
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<td>0.8</td>
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<tr>
<td>0907</td>
<td>Cloves.</td>
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<td>0.8</td>
<td>0.4</td>
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<tr>
<td>0906</td>
<td>Cinnamon and cinnamon-tree flowers.</td>
<td>0.2</td>
<td>0.3</td>
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<tr>
<td>0905</td>
<td>Cloves.</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.3</td>
</tr>
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</table>

Sources: [www.trademap.org](http://www.trademap.org)

Global exports of spices during the year 2014 stood at US$ 9.1 billion. Peppers and chilli pepper (HS Code 0904) are the largest exported spices globally followed by ginger, saffron, turmeric, thyme, bay leaves and curry.

Canned Foods Market

The global canned foods market was valued at US$ 80.6 billion in 2014 and is expected to reach US$ 102.9 billion by 2019, growing at a CAGR of 5.0 percent. In the past, consumer perception of canned food being unhealthy and unsafe for consumption was a challenge for its growth. However, recent studies confirming nutrition content of canned food have been driving its growth.

Input Use Trends In Indian Agriculture

Fertilizer

Consumption of fertilizer is largely dependent on growing conditions, such as weather and soil, and socio-economic status of the farmers. Analysis of fertilizer use since the Green Revolution shows that the average per hectare use of fertilizer doubled in absolute terms in every decade from 1971 to 1991. Subsequently, the average growth in per hectare use of fertilizer has slowed down. This has raised considerable concerns regarding soil fertility, productivity and efficiency of fertilizer use in the country.

Seed

Seed is the vehicle for delivering the benefits of technology, and is the most important input, influencing the growth and sustainability of agriculture. Use of quality seeds alone can improve the productivity of crops to the tune of 15 percent. Supply of certified/quality seeds and Seed Replacement Rate (SRR) are the two important factors in enhancing productivity in agriculture. While the use of hybrid seeds in Indian agriculture has been growing, there has been low penetration of hybrid seeds in case of staples in the country.

Farm Mechanization

Farm mechanization is an important component for increasing crop production and productivity, besides reducing the drudgery of farm laborers. Farm mechanization also enables efficient use of agricultural inputs and reduces the cost of production. However, given the magnitude of arable land, agricultural area, and population of farm labourers in India, tractor use in India has been considerably low. Thus, farm mechanization in India has been associated with the use of prime movers, tractors, and power tillers, rather than adoption of farm machinery that performs specific tasks.

Agriculture R&D and Extension Services

Agricultural R&D is a crucial determinant of agricultural productivity. Involved through the introduction of improved crops, cropping practices, and labor-saving technologies, improved quality of food storage, processing, and marketing. According to a study by the World Bank, agriculture R&D as a percentage of GDP has been 2.36 percent for developed countries, and the same is lower at 0.53 percent for developing countries of the world, further lower at 0.41 percent for developing countries of Asia, and at 0.34 percent for India.
Capital Formation and Total Factor Productivity

Capital formation in agriculture is divided into two segments; one is that of additions to capital stock within agricultural sector, which influences productivity, and the second is investment in capital stock that is made elsewhere, but is closely linked with productivity, efficiency and profitability in crop production. A review of capital formation in Indian agriculture reveals that gross capital formation in agriculture as a proportion of agriculture GDP has been steadily increasing since 2004-05, which in 2009-10 stood at 20 percent. In India, the share of private sector in capital formation has been dominant at around 80 percent.

Irrigation and Water Management

Development of irrigation and water management are crucial for raising the levels of production and productivity. India has the largest area under irrigation within Asia constituting about 30 percent of total area under irrigation in Asia. India also has largest potential area under irrigation in Asia. Considering the size of arable land and agricultural R&D in India, the growth in area equipped under irrigation in the country has been considerably low. The share of area equipped with irrigation in potential area of irrigation in India is about 44 percent for India, which is higher for China (83 percent). According to the Central Board of Irrigation and Power, Government of India, at the end of Tenth Five Year Plan, around 17 percent of available irrigation potential from the major and medium irrigation projects in the country remains to be exploited. Around 15 percent of ground water blocks have been over exploited in India, leading to rapid depletion of ground water levels, which is particularly observed in the case of leading food grain producing states, such as Punjab (75 percent over exploited), Haryana (49 percent), Karnataka (38 percent), Tamil Nadu (37 percent), Andhra Pradesh (18 percent), and Gujarat (14 percent).

Policies That Promote Sustainable Food & Agricultural Systems Research Development

Invest in Agricultural Research and Development (R&D)

These investments support the discovery of materials, methodologies and information that more effectively and efficiently boost agricultural productivity. The private sector is a growing source of R&D funding. Research investments in India create high returns in terms of output growth and more efficient use of resources, and they help meet the government’s food security goals. In July 2014, the new government expressed strong support for improving agricultural research and development and announced plans to establish two new research centers and four new agricultural universities.

Embrace and Apply Science-based and Information Technologies

Technological innovations contribute to improve in the quality of seeds, animal stock and inputs, laborsaving devices, effective production and conservation practices, reduction of post-harvest losses, efficient price discovery mechanisms and control of pests, diseases and contamination. Access to these innovations will be essential if farmers and producers along the value chain are to meet the rising global demand for agriculture in the face of climate change. Numerous technologies and approaches for improving Total Factor Productivity (TFP) have been developed by Indian companies and institutes, from water and fertilizer efficiency and matching seed technology with local soil and climatic conditions to diversification and multi-cropping. Technology-led output growth helped decrease the cost of production in India by 1 to 2.3 percent a year from 1985 to 2005, which helped contain consumer prices.

Farmer Producer Organization – Potential Vehicle to Foster Agri Trade

It (FPO) is one of the important initiatives taken by the Department of Agriculture and Cooperation of the Ministry of Agriculture to mainstream the idea of promoting and strengthening member-based institutions of farmers. As per the concept, farmers, who are the producers of agricultural products, can form groups and register themselves under the Indian Companies Act. These can be created both at State, cluster, and village levels. It is aimed at engaging the farmer companies to procure agricultural products and sell them.

FPO in India

<table>
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<td>837</td>
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<td>Bihar</td>
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<td>412</td>
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<td>21</td>
</tr>
<tr>
<td>Delhi</td>
<td>196</td>
<td>4</td>
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</tbody>
</table>
Enhance Private Sector Involvement in Agriculture and Rural Infrastructure Development

Under the current National Highway Development Program, 40 percent of new roads will be built through public-private partnerships. Freight rail is a more economical way to transport agricultural commodities and products. Some states have taken their own steps to motivate private sector investment in market infrastructure, including financing of port facilities and connector roads.

Remove Barriers to Internal, Regional and Global Agricultural Trade

India’s trade policy is designed to achieve self-sufficiency in grains, reduce import dependency and promote commercial exports. During the 2000s, the country shifted away from quantitative import restrictions to higher tariffs designed to protect against import surges that could displace local production when world market prices fall. This was accomplished by renegotiating tariff limits under the WTO, setting higher maximum rates for products that the country wants to protect for domestic production such as corn, rice and dry nonfat milk. India still uses export restrictions when concerned about domestic supplies, but to a lesser degree than in the past.

Strengthen and Coordinate International Development Assistance

India plays a dual role in foreign assistance providing support and technical assistance to less developed countries and receiving multi-lateral financial support for its own investment plans.

Some major investments and developments in agriculture in the recent past are as follows:

- ITC Ltd, one of India’s leading fast-moving consumer goods (FMCG) company, plans to make Andhra Pradesh a hub for its agricultural business operations.
- Mahindra and Mahindra Ltd has acquired 35 per cent stake in a Finnish combine harvesters manufacturer, Sampo Roselnew Oy, for US$ 20.46 million and will jointly focus on the combine harvester business in Asia, Africa and Eurasian Economic Union countries.
- The Small Farmers’ Agri-Business Consortium (SFAC) plans to organize camps in Madhya Pradesh and Chhattisgarh to promote its venture capital assistance scheme (VCAS), which seeks to provide capital and project development facility (PDF) to agri-business entrepreneurs.
- Agri-research institute ICRISAT’s incubation arm is looking to set up a Rs.100 crore (US$ 14.67 million) fund in a year, an initiative that could help small entrepreneurs from the agri-business and nutrition space raise money.
- Mahindra & Mahindra (M&M), India’s leading tractor and utility vehicle manufacturer, announced its entry into pulses retailing under the brand ‘NuPro’. Going forward, the company plans to foray into e-retailing and sale of dairy products.
- Fertilizer cooperative IFFCO launched a joint venture with Japanese firm Mitsubishi Corp for manufacturing agrochemicals in India.
- Acumen, a not-for-profit global venture fund, has invested Rs 11 crore (US$ 1.7 million) in Sahayog Dairy, an integrated entity in the segment, based at Harda district in Madhya Pradesh.
- Rabo Equity Advisors, the private equity arm of Netherlands-based Rabo Group, raised US$ 100 million for the first close of its second fund – India Agri Business Fund II. The fund plans to invest US$ 15–17 million in 10–12 companies.
Oman India Joint Investment Fund (OIJIF), a joint venture (JV) between the State Bank of India (SBI) and State General Reserve Fund (SGRF), invested Rs 95 crore (US$ 13.94 million) in GSP Crop Science, a Gujarat-based agrochemicals company. The world’s seventh-largest agrochemicals firm, Israel-based ADAMA Agrochemicals plans to invest at least US$ 50 million in India over the next three years.

CONCLUSION

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US$ 2,261 million from April 2000 to December 2015. In 2016-17, government allocated Rs 35,984 crore, the highest amount so far, for agriculture and farmers’ welfare. With this, the government intends to address issues of optimal utilization of water resources, create new infrastructure for irrigation, conserve soil fertility with balanced use of fertilizer and provide connectivity from farm to market. With an intention to revive the fortunes of farmers for better overall growth of the economy, the governments aims to double the farmer’s income by 2022.

To improve conditions of farmers, the government will have to emphasis on irrigation, development of rain fed agriculture, promotion of integrated farming, high-value agri-produce, etc. At the same time, diversification beyond crops into horticulture, vegetables, livestock, poultry and fisheries etc., followed by the enhanced investment in seeds will also be required. The government should also attract investments in agriculture so that scientific techniques can bolster the country’s crop production. For achieving high growth and utilizing remaining potentials from agriculture required full support from EXIM bank in the form of implementation of progressive policies and making agricultural export more profitable so that “making in India” can be achieved through “farming in India”.

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WALMART’S ACQUISITION OF JET.COM: A GAME CHANGER

Ivaturi Murali Krishna18 Dr. G. V. Chalam19

ABSTRACT

This study discusses about the motivations for and effect of Walmart’s strategy behind the purchase of Jet.com, which started its operations in July 2014. The case starts with a brief introduction of Walmart and Jet.com, Walmart’s Omni channel strategy. It then focuses its attention on online strategy of Walmart and why it decided to purchase Jet.com for a record amount of $3 billion and $300 million package. The case investigates the reasons behind the purchase of online wonder kid Jet.com and the business prospects the new purchase opened up for the acquisitioned company.

KEYWORDS

Acquisition Strategy, Virtual Shopping, Market Share, Shipping Pass, Pricing Algorithm, Intellectual Capital etc.

WAL-MART

Sam Walton’s famous quote - “Save Money. Live Better”- is today both Walmart’s slogan and the core of its corporate mission. Walmart is No.1 Company on Fortune 500 list. The company today has more than 11000 stores in 27 countries and 2.2 million employees, which makes it largest employer next to US Department of Defense and the Chinese army. Walmart is mentioned 60,000 times per day in social networks and everything about Walmart is a surprise.

Then of course is the rise of Amazon.com, registered as 29th place on Fortune 500. Over the past 3 years, a period during which Walmart’s sales grew by a total of 8.6% revenue at Amazon has nearly doubled. The online retailer that Jeff Bezos built has changed the habits and expectations of consumers in ways to which Walmart must adapt—evolving from a “push” models, where merchandisers have a large degree of control, to a “pull” model, where shoppers are more empowered than ever. According to the Fortune magazine “Amazon and online retailing is probably the biggest disruption of retail since Walmart itself”. For all these reasons, Walmart finds itself at a critical juncture in its history and the company is counting heavily on its new CEO McMillon’s ability to meet the extraordinary challenges ahead. McMillon is trying to reinvent his half-century-old company and infuse it with a new, Silicon Valley-esque metabolism.

Walmart is fiercely experimenting through innovations. One such experiment is: Walmart pick-up grocery is gaining popularity. This is not a traditional outlet but a mini-ware house next to parking lot, whose shoppers can drive in and collect items they pre-ordered online. Another experiment is to serve shoppers in busy office complexes by letting them collect pre-ordered groceries at the end of the day from a truck in a nearby parking lot. The idea behind all this experimentation is Sam Walton’s wisdom: “Focus on something the customer wants, and then deliver it”. Walmart realized although a bit late that online shopping is the thing and started Walmart.com. In recent years, Walmart has worked hard to make a compelling prospect, investing heavily in both technology and talent. The e-Commerce business, which has its headquarters in San Bruno, just south of San Francisco, now employs above 2500 from 500 four years ago. The number of items available for sale on Walmart.com has increased from 1 million to 10 million during the same period. According to fortune McMillon does not have a digital strategy but everything strategy. McMillon wants to combine online speed with Walmart’s billion square feet of store space. Walmart has its sights set on being a mega power of Omni-Retailers. There are four goals of McMillon—Go “Walmart-size “on e-Commerce; Think Omni-Channel; Rev Metabolism to start-up mode; bring back Sam Walton’s wisdom”.

Jet.com

"Our mission at Jet hasn’t changed: we plan to create the best opportunity to win faster by assembling the assets we need to revolutionize e-Commerce. We already have an amazing team in place, and now we’re adding the most relevant resources, access to capital, and a huge canvas." Marc Lore (CEO and co-founder of Jet.com).

Jet.com is an American e-Commerce company headquartered in Hoboken, New Jersey. Marc Lore, Nate Faust and Mike Hanrahan cofounded it in January 2014. Marc Lore previously sold his Diapers.com to Amazon in 2010.Jet.com has raised $820 million over four venture rounds from firms including Google ventures, Goldman Sachs, Bain Capital Ventures, Accel Partners, Alibaba Group and Fidelity. The site was publicly launched on July 21, 2015.

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Jet.com is a shopping site dedicated to save customer’s money. It combines a revolutionary pricing engine, an excellent technology and fulfillment platform, and incredible customer service to create a new kind of e-Commerce experience - driven by core values of trust, transparency, fairness and empathizing customer.

A prominent feature of the site is its pricing scheme. The pricing adjustments are offered to encourage users to buy more items at once and to purchase items that are located in the same distribution center, thus making the purchases less expensive for the company to collect and shipping. As users add items to their virtual shopping cart, they are encouraged to select additional items using pricing incentives. The pricing options are also offered during the checkout process, such as having the user opt out of the ability to return merchandise free in exchange for a reduced price. Users are also offered a price incentive to use a debit card rather than a credit card for purchases.

Jet’s sales have reached an annual run rate of $1 billion, and chief revenue officer Scott Hilton says it now has over 4 million active shoppers. Jet.com operates as a marketplace on which some 2,400 brands sell 12 million SKUs. Jet.com process 25,000 daily orders and is attracting 400,000 new shoppers per month.

### Jet.com Acquisition

Wal-Mart completed the biggest acquisition of an e-commerce start-up in history buying Jet.com for $3.3 billion. Wal-Mart will pay $3 billion in cash and $300 million in stock over the next five years for the year-old company that was launched as a challenger to Amazon.com for online retail supremacy. Since news of the deal broke, Wal-Mart has been criticized by several corners of the media for overpaying for the start-up, but there are plenty of reasons why it could prove to be a smart move.

**Wal-Mart could use the help**

Jet.com may only be a year old, but the company has already reached an annual run rate of $1 billion in sales, something that took Amazon four years to accomplish. Jet's marketplace model, however, means that it generates significantly less than that as actual revenue.

Wal-Mart, meanwhile, has seen its e-Commerce growth rate slow each quarter over the last two years, falling to just 7% in its most recent report. E-commerce has taken on growing importance as same-store sales have slowed, Wal-Mart stores have saturated the country, and Amazon and other competitors have taken market share. The company has struggled to gain traction in online retail despite intensified efforts in the space, including increased capital spending, launching a competitor to Amazon Prime called Shipping Pass, rolling out online grocery pickup, and making several smaller acquisitions in the past.

With the Jet buyout, Wal-Mart gets much more than an additional $1 billion in sales. It gets access to the millions of names in Jet's customer base, which include a large number of urban and millennial customers that Wal-Mart has historically had trouble courting. It also gets access to Jet's proprietary infrastructure and technology. Its "Smart Cart", for example, features an algorithm that lowers prices as customers add more items to their order or give up returns.

Finally, the Wal-Mart will add Jet.com founder and CEO Marc Lore, one of the leading minds in e-commerce, to its ranks. Lore's first company, Quidsi, the parent of Diapers.com and Soap.com, was sold to Amazon for $550 million in a bidding war with Wal-Mart. After spending two years inside the e-commerce leader, Lore departed to found Jet, the most ambitious company to challenge Amazon in several years. Lore will run Jet as well as Wal-Mart's e-commerce division once the deal closes.

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**Sources:** Authors Compilation
$3.3 billion is not that much for Wal-Mart

It is difficult to value some acquisitions. Jet does not disclose revenue, but some analysts estimate its price-to-sales valuation is about six times, or about double that of Amazon. Though that may be expensive for an unprofitable and not-yet-proven company, it could be worth much more than that to Wal-Mart, if it allows the retailer to unlock increased e-Commerce growth. Industry followers questioned past big-ticket acquisitions, like Facebook's purchase of Instagram and Google’s takeover of YouTube at that time, but both now look like steals, as they have become core components of each company. In addition, Wal-Mart is not poor either. The $3.3 billion price is less than it generates in profit in an average quarter. The company spends most of that income on returning capital to shareholders. Last year, it returned more than $12 billion to shareholders in dividends and share buybacks, money that in no way helps its competitive position. For a company now struggling to grow, it is clear that e-Commerce is a bigger priority than share repurchases, if not the company's single most important mission.

Notably, Amazon has also made big acquisitions on its way to e-commerce domination, spending more than $2 billion combined on Zappos, Kiva Technologies, and Lore's old company, Quidsi. If Wal-Mart had made those acquisitions instead, perhaps it would find itself in a different position today.

Wal-Mart is still the best-positioned company to challenge Amazon

In addition to justifying the Jet acquisition, Wal-Mart's profits are also a key advantage against Amazon, and the retailer should be able to outbid Amazon on any company or asset they both value. It actually did top Amazon's bid for Quidsi, but at that point, the start-up had already signaled that it would sell to Amazon.

More importantly, the company has assets that no other retailer, online or off, can match. Those include a network of more than 4,000 stores across the nation, giving the company a location within five miles of 70 per cent of the U.S. population. While Amazon is busy trying to build up its own shipping fleet to complement traditional logistics providers, Wal-Mart has one of the largest private trucking fleets in the country with about 6,000 tractor-trailers that it will start using to support e-commerce operations.

The tech-knowhow, strategy, and innovation from Jet should also boost Wal-Mart's prospects, and its own logistics and economies of scale should benefit Jet. Investors should remember that Wal-Mart does not have to beat Amazon in order to win - it just has to accelerate growth in e-Commerce to return the overall company to growth. In fact, the Jet acquisition offers evidence that Wal-Mart and Amazon may be moving in different directions. Long a champion of low prices, Amazon has shifted from that strategy in recent years with its Prime membership program, which places an emphasis on convenience over price. Wal-Mart, on the other hand, has branded itself on "always low prices", and Jet's pricing algorithm puts a similar emphasis on low prices. In fact, the company promised to be the cheapest retailer on the internet.

What could ensue then is a bifurcation in e-Commerce as Wal-Mart targets more price-conscious customers and Amazon ramps up services for its prime members, such as Prime Now, which promises delivery in under an hour and Prime Fresh, the grocery delivery service.

Beyond the acquisition, the key for Wal-Mart will be to successfully integrate Jet, execute on an enhanced e-commerce platform, and grow demand. Wal-Mart's fortunes will not change overnight, but the acquisition is a sign the company's priorities are in the right place. With $27 billion in annual operating cash flow, the company has much more firepower to pour into e-commerce if it chooses.

Intellectual Capital to accelerate e-Commerce initiatives of Walmart

While Jet.com will continue to remain a separate brand after its acquisition by Walmart, the latter believes that this acquisition will build on its foundation to serve customers across the Walmart app, its website and its stores. In addition, it will position the company for a faster e-commerce growth. Jet.com is known for providing a unique and differentiated consumer experience with a curated assortment of products, appealing more to the affluent shopper. While both companies have different business models, Walmart is looking at Jet's technology expertise to arrest the slowdown in its e-commerce growth. Jet.com's founder, Marc Lore is known for his innovations in e-commerce and has established and subsequently sold a series of online retailers. Clearly, Walmart appears to be looking to tap into this talent.

In the most recent fiscal year (ended January), e-Commerce sales of around $14 billion accounted for nearly 3 per cent of Walmart’s total sales of $482 billion. In comparison, Amazon’s revenues in 2015 for the U.S. electronics and general merchandise segment with around $50 billion. These numbers indicate that Walmart has a lot of catching up to do and the company is investing heavily on its e-commerce initiatives. In the past few months, Wal-Mart has increased the number of
products it sells online from around 8 million to 11 million by overcoming the technological limitations. The company is also making a $2 billion investment in additional technology and logistics capability to increase its e-commerce sales.

It recently announced a pilot program collaborating with Uber and Lyft for last mile delivery of groceries ordered online. So far, Walmart has been organically growing its e-Commerce business. The acquisition of Jet.com should give a boost to these initiatives and accelerate the pace of development. The intellectual capital acquired through this deal can be instrumental in driving Walmart’s e-Commerce initiatives. The acquisition of Jet.com confirms Walmart’s serious intent to develop e-Commerce. From this, it can be believed that it still has a long way to go “catch-up” with Amazon, which is expanding rapidly both domestically and internationally, clearly it has its work set out for it.

ROAD AHEAD

Online retail is gaining popularity in the U.S. due to growing internet usage and the proliferation of smartphones and tablets. Forrester forecasts that online sales in the U.S. will grow at a compound annual growth rate of 9.5 per cent between 2013 and 2018. Wal-Mart expects to remain ahead of the market growth with its improved delivery efficiency and e-Commerce investments. The company is looking to integrate its stores and e-Commerce channel to provide a seamless shopping experience. It plans to utilize its vast physical presence across the country as the e-Commerce fulfilment network.

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EVOlUTION OF THE STOCK MARKETS IN INDIA

Shilpa Malik20

ABSTRACT

Stock Exchanges are noted as an essential concomitant of the Capitalistic System of economy. It brings together large amounts of capital necessary for the economic progress of a country. It is a citadel of capital and pivot of money market. It provides necessary mobility to capital and indirect the flow of capital into profitable and successful enterprises. It is the barometer of general economic progress in a country and exerts a powerful and significant influence as a depressant or stimulant of business activity. The history of Indian stock market is about 200 years old. The Indian Stock Market has come a long way from the earlier days of out-cry system to the present day screen based and net based paperless trading system. It has seen the phasing out of the century old „badla‟ system with the introduction of a plethora of new products and market mechanism, with the aim of greater levels of transparency and efficiency.

KEYWORDS

Stock Exchange, National Stock Exchange, Bombay Stock Exchange, Securities Exchange Board of India, Sensex, Nifty etc.

INTRODUCTION

A stock exchange or securities market is a systematic market where listed securities are purchased and sold according to well-defined rules and regulations of Indian Securities Contracts (Regulation) act of 1956.

A stock exchange is an entity that provides “trading” facilities for stockbrokers and traders to trade stocks, bonds, and other securities. Stock exchanges also provide facilities for issue and redemption of securities and other financial instruments, and capital events including the payment of income and dividends. Securities traded on a stock exchange include shares issued by companies, unit trusts, derivatives, pooled investment products and bonds.

BRIEF HISTORY OF THE INDIAN STOCK MARKET

The history of Indian stock market is about 200 years old. Prior to this the hundis and bills of exchange were in use, especially in the medieval period, which can be considered as a form of virtual stock trading but it was certainly not an organized stock trading. The recorded stock trading can be traced only after the arrival of East India Company.

A majestic tree in Mumbai has something to do with the history of Indian Stock Markets. This particular banyan tree witnessed the evaluation of stock market cult in India. Perhaps, under this tree, concept of share trading started evolving. Four Gujrat is and a Parsi man used to meet under this Banyan tree in front of Mumbai Town Hall during the 1850s. They used to informally trade in cotton, but little did they know how their activities would transform lives of crores of people in the future. As their group grew because of the famous share mania, they formed the association called “The Native Share and Stock Broker’s Association.” The first organized stock market that was governed by the rules and regulations came into the existence in the form of The Native Share and Stock Brokers’ Association in 1875. After gone through numerous changes this association is today better as Bombay Stock Exchange, which remains the premier stock exchange since its inception. During this period, several other exchanges were launched and some of which were closed. Presently, there are 19 recognized stock exchanges out of which four are national level exchanges and the remaining are regional exchanges. National Stock Exchange, established in 1992, was the last exchange. Although the regional level exchanges are in existence, the volume of trading in these exchanges is negligible. National Stock Exchange and Bombay Stock Exchange are the leaders of Indian Securities Market in terms of listing, trading and volumes.

Indian stock markets have seen many turbulent as well as golden times over the period of more than 150 years. The first mass participation from the public came when Mr. Dhirubhai Ambani came up with the Reliance IPO in 1980. The Bombay Stock Exchange introduced the BSE Sensex in 1986, giving the BSE a means to measure overall performance of the exchange. Today Sensex is synonymous with stock market in India. In 1991, Dr. Manmohan Singh as Finance Minister announced series of reforms in the bourses only to be disillusioned by Harshad Mehta Scam. BSE was the numero uno among the stock exchanges of India until the Harshad Mehta Scam came out in public. In knee jerk reaction government set up the Security Exchange Board of India (SEBI) akin to SEC of America.

20Research Scholar, Rani Durgavati Vishwavidyalaya, Madhya Pradesh, India, shilpa.srcc@gmail.com
It also showed keen interest in setting up electronic clearing system and thus the National Stock Exchange was born. NSE brought exceptional transparency, efficiency and professionalism to the system. It introduced many path-breaking instruments such as equity derivatives. Today NSE counts for a major portion of the turnover of Indian stock exchanges.

The last 15 years of the Indian securities market can be considered as the most important part of the history where the market gone through the post liberalization era of Indian economy and witnessed the formation of Securities and Exchange Board of India (SEBI) which brought substantial transparency in share market practices and thus managed to bring in trust of not only domestic investors but also the international ones.

REFORMS AND DEVELOPMENTS IN CAPITAL MARKET SINCE 1991

The government has taken several measures to develop capital market in post-reform period, with which the capital market reached new heights. Some of the important measures are:

Securities and Exchange Board of India (SEBI): SEBI became operational since 1992. It was set with necessary powers to regulate the activities connected with marketing of securities and investments in the stock exchanges, merchant banking, portfolio management, stockbrokers and others in India. The objective of SEBI is to protect the interest of investors in primary and secondary stock markets in the country.

National Stock Exchange (NSE): The setting up to NSE in 1992 is a landmark in Indian capital markets. At present, NSE is the largest stock market covering 364 cities and towns across the country. Trading on NSE can be done throughout the country through the network of satellite terminals (fully automated screen-based trading system). NSE has introduced inter-regional clearing facilities.

Dematerialization of Shares: Demat of shares has been introduced in all the shares traded on the secondary stock markets as well as those issued to the public in the primary markets. Even bonds and debentures are allowed in demat form. The advantage of demat trade is that it involves Paperless trading.

Screen Based Trading: The Indian stock exchanges were modernized in 90s, with Computerised Screen Based Trading System (SBTS); it cuts down time, cost, risk of error and fraud and there by leads to improved operational efficiency. The trading system also provides complete online market information through various inquiry facilities.

Investor Protection: The Central Government notified the establishment of Investor Education and Protection Fund (IEPF) with effect from 1st Oct. 2001: The IEPF shall be credited with amounts in unpaid dividend accounts of companies, application moneys received by companies for allotment of any securities and due for refund, matured deposits and debentures with companies and interest accrued there on, if they have remained unclaimed and unpaid for a period of seven years from the due date of payment.

Rolling Settlement: Rolling settlement is an important measure to enhance the efficiency and integrity of the securities market. Under rolling settlement, all trades executed on a trading day (T) are settled after certain days (N). This is called T + N rolling settlement. Since April 1, 2002 trades are settled under T + 3 rolling settlement. In April 2003, the trading cycle has been reduced to T + 2 days. The shortening of trading cycle has reduced undue speculation on stock markets.

The Clearing Corporation of India Limited (CCIL): The CCIL was registered in 2001, under the Companies Act, 1956 with the State Bank of India as the Chief Promoter. The CCIL clears all transactions in government securities and repos and also Rupee / US $ forex spot and forward deals All trades in government securities below Rs. 20 crores would be mandatorily settled through CCIL, white those above Rs. 20 crores would have the option for settlement through the RBI or CCIL.

The National Securities Clearing Corporation Limited (NSCL): The NSCL was set up in 1996. It has started guaranteeing all trades in NSE since July 1996. The NSCL is responsible for post-trade activities of NSE. It has put in place a comprehensive risk management system, which is constantly monitored and upgraded to pre-expect market failures.

Trading in Central Government Securities: In order to encourage wider participation of all classes of investors, including retail investors, across the country, trading in government securities has been introduced from January 2003. Trading in government securities can be carried out through a nationwide, anonymous, order-driver, screen-based trading system of stock exchanges in the same way in which trading takes place in equities.

Credit Rating Agencies: Various credit rating agencies such as Credit Rating Information services of India Ltd. (CRISIL – 1988), Investment Information and credit Rating Agency of India Ltd. (ICRA – 1991), etc. were set up to meet the emerging
needs of capital market. They also help merchant bankers, brokers, regulatory authorities, etc. in discharging their functions related to debt issues.

Accessing Global Funds Market: Indian companies are allowed to access global finance market and benefit from the lower cost of funds. They have been permitted to raise resources through issue of American Depository Receipts (ADRs), Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs) and External Commercial Borrowings (ECBs). Further Indian financial system is opened up for investments of foreign funds through Non-Resident Indians (NRIs), Foreign Institutional investors (FIIs), and Overseas Corporate Bodies (OCBs).

Mutual Funds: Mutual Funds are an important avenue through which households participate in the securities market. As an investment intermediary, mutual funds offer a variety of services / advantages to small investors. SEBI has the authority to lay down guidelines, supervise, and regulate the working of mutual funds.

Internet Trading: Trading on stock exchanges is allowed through internet, investors can place orders with registered stockbrokers through internet. This enables the stockbrokers to execute the orders at a greater pace.

Buy Back of Shares: Since 1999, companies are allowed to buy back of shares. Through buy back, promoters reduce the floating equity stock in market. Buy back of shares help companies to overcome the problem of hostile takeover by rival firms and others.

Derivatives Trading: Derivatives trading in equities started in June 2000. At present, there are four equity derivative products in India Stock Futures, Stock Options, Index Futures, and Index Options. Derivative trading is permitted on two stock exchanges in India i.e. NSE and BSE. At present in India, derivatives market turnover is more than cash market.

BSE

BSE Ltd, the first ever stock exchange in Asia established in 1875 and the first in the country to be granted permanent recognition under the Securities Contract Regulation Act, 1956, has had an interesting rise to prominence over the past 140 years.

While BSE Ltd is now synonymous with Dalal Street, it was not always so. The first venue of the earliest stockbroker meetings in the 1850s was in rather natural environs - under banyan trees - in front of the Town Hall, where Horniman Circle is now situated. A decade later, the brokers moved their venue to another set of foliage, this time under banyan trees at the junction of Meadows Street and what is now called Mahatma Gandhi Road. As the number of brokers increased, they had to shift from place to place, but they always overflowed to the streets. At last, in 1874, the brokers found a permanent place, and one that they could, quite literally, call their own. The new place was, aptly, called Dalal Street (Brokers' Street).

The journey of BSE Ltd. is as eventful and interesting as the history of India's securities market. In fact, as India's biggest bourse in terms of listed companies and market capitalization, almost every leading corporate in India has sourced BSE Ltd. services in raising capital and is listed with BSE Ltd. The index is calculated based on a free float capitalization method, a variation of the market capitalization method. Instead of using, a company's outstanding shares it uses its float, or shares that are readily available for trading.

As per free float capitalization methodology, the level of index at any point of time reflects the free float market value of 30 component stocks relative to a base period. The market capitalization of a company is determined by multiplying the price of its stock by the number of shares issued by of corporate actions, replacement of scrips, The index has increased by over twenty five times from June 1990 to the present.

Even in terms of an orderly growth, much before the actual legislations were enacted, BSE Ltd. had formulated a comprehensive set of Rules and Regulations for the securities market. It had also laid down best practices, which were adopted subsequently by 23 stock exchanges, which were set up after India gained its independence.

BSE Ltd., as an institutional brand, has been and is synonymous with the capital market in India. Its S&P BSE SENSEX is the benchmark equity index that reflects the health of the Indian economy.

<table>
<thead>
<tr>
<th>Table-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 to 2016</td>
</tr>
<tr>
<td>9th July, 2016</td>
</tr>
<tr>
<td>21st Jun, 2016</td>
</tr>
</tbody>
</table>
International Journal of Trade & Global Business Perspectives

Volume 5, Number 3, July – September ‘2016
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PEZZOTTAITE JOURNALS


<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>9th Jun, 2016</td>
<td>BSE announces commencement of trading of Sovereign Gold Bonds</td>
</tr>
<tr>
<td>2nd May, 2016</td>
<td>BSE Migrates Algorithm Trading Test Environment to Cloud Infrastructure</td>
</tr>
<tr>
<td>28th Apr 2016</td>
<td>BSE signs Memorandum of Understanding with Korea Exchange (KRX) to launch S&amp;P BSE Sensex based derivatives contracts at KRX</td>
</tr>
<tr>
<td>05th Apr 2016</td>
<td>BSE &amp; CMIE launch world’s first high-frequency data on unemployment and consumer sentiments</td>
</tr>
<tr>
<td>28th Mar 2016</td>
<td>BSE Star Mutual Fund Processes 81,000 orders worth Rs. 270 crore - Record Order in single day</td>
</tr>
<tr>
<td>09th Dec 2015</td>
<td>BSE partners with CII (Confederation of Indian Industry) and IICA (Indian Institute of Corporate Affairs) to launch a one of its kind CSR platform 'Summaan – The CSR Exchange'</td>
</tr>
<tr>
<td>13th Oct 2015</td>
<td>BSE becomes the fastest exchange in the world with a median response speed of 6 microseconds</td>
</tr>
<tr>
<td>16th July 2015</td>
<td>BSE SME platform successfully completes listing of 100 SMEs under its SME umbrella</td>
</tr>
<tr>
<td>09th July 2015</td>
<td>BSE celebrated its 140th Foundation Day</td>
</tr>
<tr>
<td>28th May 2015</td>
<td>BSE exceeds 1 billion derivatives contracts on its new Deutsche Börse T7 powered trading platform</td>
</tr>
<tr>
<td>18th May 2015</td>
<td>BSE introduces overnight investment product</td>
</tr>
<tr>
<td>16th Apr 2015</td>
<td>Asia Index Private Limited launches S&amp;P BSE AIICap, S&amp;P BSE SENSEX Leverage and Inverse Indices</td>
</tr>
<tr>
<td>08th Jan 2015</td>
<td>BSE commenced live trading from its Disaster Recovery site in Hyderabad</td>
</tr>
</tbody>
</table>

2011 To 2014

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>12th Dec 2014</td>
<td>Market Cap of BSE SME listed companies crosses landmark 10,000 crore</td>
</tr>
<tr>
<td>28th Nov 2014</td>
<td>BSE listed cos market cap crosses landmark 100 lakh crore</td>
</tr>
<tr>
<td>22th Oct 2014</td>
<td>BSE inks strategic partnership with YES BANK</td>
</tr>
<tr>
<td>26th Sept 2014</td>
<td>BSE inks MoU with BNY Mellon</td>
</tr>
<tr>
<td>27th May 2014</td>
<td>BSE felicitated at The Asian Banker Summit 2014 - BSE Best Managed Financial Derivatives Exchange in the Asia Pacific</td>
</tr>
<tr>
<td>19th Feb 2013</td>
<td>BSE enters into Strategic Partnership with S&amp;P Dow Jones Indices</td>
</tr>
<tr>
<td>30th Mar 2012</td>
<td>BSE launched trading in BRICSMART indices derivatives</td>
</tr>
<tr>
<td>13th Mar 2012</td>
<td>Launch of BSE - SME Exchange Platform</td>
</tr>
<tr>
<td>22nd Feb 2012</td>
<td>Launch of S&amp;P BSE-GREENEX to promote investments in Green India</td>
</tr>
<tr>
<td>15th Jan 2011</td>
<td>Co-location facility at BSE - tie up with Netmagic</td>
</tr>
<tr>
<td>7th Jan 2011</td>
<td>BSE Training Institute Ltd. with IGNOU launched India's first 2 year full time MBA program specializing in Financial Market</td>
</tr>
</tbody>
</table>

2006 To 2010

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>27th Dec 2010</td>
<td>Commencement of S&amp;P BSE Shariah Index</td>
</tr>
<tr>
<td>10th Dec 2010</td>
<td>Launch of SIP</td>
</tr>
<tr>
<td>22nd Nov 2010</td>
<td>Launch of SLB</td>
</tr>
<tr>
<td>12th Nov 2010</td>
<td>Commencement of S&amp;P BSE Volatility Index</td>
</tr>
<tr>
<td>11th Oct 2010</td>
<td>Launch of Fastrade on Web (FoW) - Exchange hosted platform</td>
</tr>
<tr>
<td>26th Feb 2012</td>
<td>Launch of S&amp;P BSE-GREENEX to promote investments in Green India</td>
</tr>
<tr>
<td>15th Jan 2011</td>
<td>Co-location facility at BSE - tie up with Netmagic</td>
</tr>
<tr>
<td>23rd July 2010</td>
<td>Options on BOLT</td>
</tr>
<tr>
<td>12th May 2010</td>
<td>Dissemination of Corporate Action information via SWIFT platform</td>
</tr>
<tr>
<td>22nd Apr 2010</td>
<td>New DBM framework @ Rs.10 lakhs - 90% reduction in Membership Deposit</td>
</tr>
<tr>
<td>20th Jan 2010</td>
<td>S&amp;P BSE PSU website launched</td>
</tr>
<tr>
<td>4th Jan 2010</td>
<td>Market time changed to 9.00 a.m. - 3.30 p.m.</td>
</tr>
<tr>
<td>18th Dec 2009</td>
<td>BSE's new derivatives rates to lower transaction costs for all</td>
</tr>
<tr>
<td>14th Dec 2009</td>
<td>Marathi website launched</td>
</tr>
<tr>
<td>7th Dec 2009</td>
<td>Launch of clearing and settlement of Corporate Bonds through Indian Clearing Corporation Ltd.</td>
</tr>
<tr>
<td>4th Dec 2009</td>
<td>BSE Launches BSE Star MF – Mutual Fund trading platform</td>
</tr>
<tr>
<td>25th Nov 2009</td>
<td>BSE launches FASTRADE™ - a new market access platform</td>
</tr>
<tr>
<td>5th Oct 2009</td>
<td>BSE Introduces New Transaction Fee Structure for Cash Equity Segment</td>
</tr>
<tr>
<td>1st Oct 2009</td>
<td>Bombay Stock Exchange introduces trade details facility for the Investors</td>
</tr>
<tr>
<td>24th Aug 2009</td>
<td>S&amp;P BSE IPO Index launched</td>
</tr>
<tr>
<td>7th Aug 2009</td>
<td>BSE - USE Form Alliance to Develop Currency &amp; Interest Rate Derivatives Markets</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1st Oct 2008</td>
<td>Currency Derivatives Introduced</td>
</tr>
<tr>
<td>10th Jan 2008</td>
<td>S&amp;P BSE SENSEX All-time high 21206.77</td>
</tr>
<tr>
<td>7th Mar 2007</td>
<td>Singapore Exchange Limited entered into an agreement to invest in a 5% stake in BSE</td>
</tr>
<tr>
<td>2nd Jan 2007</td>
<td>Launch of Unified Corporate Bond Reporting platform: Indian Corporate Debt Market (ICDM)</td>
</tr>
<tr>
<td>2nd Nov 2006</td>
<td>iShares S&amp;P BSE SENSEX India Tracker listed at Hong Kong Stock Exchange</td>
</tr>
<tr>
<td>21st Oct 2006</td>
<td>BSE Hindi website launched</td>
</tr>
<tr>
<td>7th Jul 2006</td>
<td>BSE Gujarati website launched</td>
</tr>
<tr>
<td>7th Feb 2006</td>
<td>S&amp;P BSE SENSEX closed above 10000</td>
</tr>
</tbody>
</table>

**2001 To 2005**

**BSE Milestones**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>19th Aug 2005</td>
<td>BSE becomes a Corporate Entity</td>
</tr>
<tr>
<td>12th Aug 2005</td>
<td>Certificate of Commencement of Business</td>
</tr>
<tr>
<td>8th Aug 2005</td>
<td>Incorporation of Bombay Stock Exchange Limited</td>
</tr>
<tr>
<td>20th May 2005</td>
<td>The BSE (Corporatization and Demutualization) Scheme, 2005 (the Scheme) announced by SEBI</td>
</tr>
<tr>
<td>17th May 2004</td>
<td>Second biggest fall of all time, Circuit filters used twice in a day</td>
</tr>
<tr>
<td>2nd Jun 2004</td>
<td>S&amp;P BSE SENSEX closes over 6000 for the first time</td>
</tr>
<tr>
<td>1st Dec 2003</td>
<td>T group launched</td>
</tr>
<tr>
<td>1st Sep 2003</td>
<td>S&amp;P BSE SENSEX shifted to free-float methodology</td>
</tr>
<tr>
<td>1st June 2003</td>
<td>Bankex launched</td>
</tr>
<tr>
<td>1st Apr 2003</td>
<td>T+2 settlement Introduced</td>
</tr>
<tr>
<td>16th Jan 2003</td>
<td>Retail trading in G Sec</td>
</tr>
<tr>
<td>1st Jan 2003</td>
<td>India’s first ETF on S&amp;P BSE SENSEX - ‘SPICE’ introduced</td>
</tr>
<tr>
<td>1st Apr 2002</td>
<td>T+3 settlement Introduced</td>
</tr>
<tr>
<td>15th Feb 2002</td>
<td>Negotiated Dealing System (NDS) established</td>
</tr>
<tr>
<td>1st Feb 2002</td>
<td>Two way fungibility for ADR/GDR</td>
</tr>
<tr>
<td>31st Dec 2001</td>
<td>All securities turn to T+5</td>
</tr>
<tr>
<td>29th Nov 2001</td>
<td>100% book building allowed</td>
</tr>
<tr>
<td>1st Nov 2001</td>
<td>Stock futures launched</td>
</tr>
<tr>
<td>25th Jul 2001</td>
<td>S&amp;P BSE Dollex 30 launched</td>
</tr>
<tr>
<td>11th Jul 2001</td>
<td>BSE Teck launched, India’s First free float index</td>
</tr>
<tr>
<td>9th Jul 2001</td>
<td>Stock options launched</td>
</tr>
<tr>
<td>2nd Jul 2001</td>
<td>VaR model introduced for margin requirement calculation</td>
</tr>
<tr>
<td>15th Jun 2001</td>
<td>WDM operations at commenced</td>
</tr>
<tr>
<td>4th Jun 2001</td>
<td>S&amp;P BSE PSU index introduced</td>
</tr>
<tr>
<td>1st Jun 2001</td>
<td>Index Options launched</td>
</tr>
<tr>
<td>1st Feb 2001</td>
<td>BSE Webx Launched</td>
</tr>
<tr>
<td>1st Mar 2001</td>
<td>Corporatization of Exchanges proposed by the Union Govt.</td>
</tr>
</tbody>
</table>

**1996 To 2000**

**BSE Milestones**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>9th Jun 2000</td>
<td>Equity Derivatives introduced</td>
</tr>
<tr>
<td>11th Feb 2000</td>
<td>S&amp;P BSE SENSEX crosses 6000 intra-day</td>
</tr>
<tr>
<td>11th Oct 1999</td>
<td>S&amp;P BSE SENSEX closed above 5000</td>
</tr>
<tr>
<td>15th Jul 1999</td>
<td>CDSL commences work</td>
</tr>
<tr>
<td>1st Jun 1999</td>
<td>Interest Rate Swaps (IRS) / Forward Rate Agreements (FRA) allowed</td>
</tr>
<tr>
<td>22nd Mar 1999</td>
<td>Central Depository Services Ltd.(CDSL) set up with other financial institutions</td>
</tr>
<tr>
<td>1997</td>
<td>BSE On-Line Trading (BOLT) system expanded nation-wide</td>
</tr>
<tr>
<td>21st Jul 1997</td>
<td>Brokers Contingency Fund (BCF) introduced</td>
</tr>
<tr>
<td>12th May 1997</td>
<td>Trade Guarantee Fund (TGF) introduced</td>
</tr>
<tr>
<td>19th Aug 1996</td>
<td>First major S&amp;P BSE SENSEX revamp</td>
</tr>
</tbody>
</table>

**1875 To 1995**

**BSE Milestones**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>14th Mar 1995</td>
<td>BSE On-Line Trading (BOLT) system introduced</td>
</tr>
<tr>
<td>1992</td>
<td>Securities Appellate Tribunal (SAT) established</td>
</tr>
<tr>
<td>29th May 1992</td>
<td>Capital Issues (Control) Act repealed</td>
</tr>
<tr>
<td>1st May 1992</td>
<td>SEBI Act established</td>
</tr>
<tr>
<td>30th Mar 1992</td>
<td>S&amp;P BSE SENSEX closes above 4000</td>
</tr>
<tr>
<td>15th Jan 1992</td>
<td>S&amp;P BSE SENSEX closes above 2000</td>
</tr>
<tr>
<td>25th Jul 1990</td>
<td>S&amp;P BSE SENSEX closes above 1000</td>
</tr>
<tr>
<td>3rd Jan 1989</td>
<td>BSE Training Institute (BTD) inaugurated</td>
</tr>
<tr>
<td>10th Jul 1987</td>
<td>Investor’s Protection Fund (IPF) introduced</td>
</tr>
</tbody>
</table>
NSE

The National Stock Exchange (NSE) is India's leading stock exchange covering various cities and towns across the country. NSE was set up by leading institutions to provide a modern, fully automated screen-based trading system with national reach. The Exchange has brought about unparalleled transparency, speed & efficiency, safety and market integrity. It has set up facilities that serve as a model for the securities industry in terms of systems, practices and procedures.

NSE was promoted by leading Financial Institutions at the behest of the Government of India and was incorporated in November 1992 as a tax-paying company unlike other stock exchanges in the country.

National Stock Exchange has a total market capitalization of more than US$1.65 trillion, making it the world’s 12th-largest stock exchange as of 23 January 2015. NSE's flagship index, the CNX Nifty, the 51 stock index, is used extensively by investors in India and around the world as a barometer of the Indian capital markets. Based on the recommendations laid out by the government committee, NSE has been established with a diversified shareholding comprising domestic and global investors. The key domestic investors include Life Insurance Corporation of India, State Bank of India, IFCI Limited IDFC Limited and Stock Holding Corporation of India Limited. In addition, the key global investors are Gagil FDI Limited, GS Strategic Investments Limited, SAIF II SE Investments Mauritius Limited, Aranda Investments (Mauritius) Pet Limited and PI Opportunities Fund I.

NSE has played a catalytic role in reforming the Indian securities market in terms of microstructure, market practices and trading volumes. The market today uses state-of-art information technology to provide an efficient and transparent trading, clearing and settlement mechanism, and has witnessed several innovations in products & services viz. demutualization of stock exchange governance, screen based trading, compression of settlement cycles, dematerialization and electronic transfer of securities, securities lending and borrowing, professionalization of trading members, fine-tuned risk management systems, emergence of clearing corporations to assume counterparty risks, market of debt and derivative instruments and intensive use of information technology.

**Table-2**

<table>
<thead>
<tr>
<th>Date</th>
<th>NSE Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-14</td>
<td>Commencement of trading of Nifty Futures on OSE</td>
</tr>
<tr>
<td>Feb-14</td>
<td>NSE Launches NVIX Futures – Futures on India VIX index</td>
</tr>
<tr>
<td>Jan-14</td>
<td>NSE Launches ‘NSE Bond Futures II’</td>
</tr>
<tr>
<td>May-13</td>
<td>NSE launches the first dedicated Debt Platform on the Exchange</td>
</tr>
<tr>
<td>Jan-13</td>
<td>Agreement on Launch of NIFTY Futures in Japan</td>
</tr>
<tr>
<td>Jan-13</td>
<td>NSCCL Rated CCR AAA for fifth consecutive year</td>
</tr>
<tr>
<td>Sep-12</td>
<td>NSE launches SME operations</td>
</tr>
<tr>
<td>Jun-12</td>
<td>NSE launches financial literacy initiative ‘Jagruti’ in Mohali, in partnership with India Post</td>
</tr>
<tr>
<td>May-12</td>
<td>Futures and Options contracts technology to provide an efficient and transparent trading, clearing and settlement mechanism, and has witnessed several innovations in products &amp; services viz. demutualization of stock exchange governance, screen based trading, compression of settlement cycles, dematerialization and electronic transfer of securities, securities lending and borrowing, professionalization of trading members, fine-tuned risk management systems, emergence of clearing corporations to assume counterparty risks, market of debt and derivative instruments and intensive use of information technology.</td>
</tr>
<tr>
<td>Mar-12</td>
<td>NSE and India Post start Unique Financial Inclusion Initiative &quot;Jagruti&quot;</td>
</tr>
<tr>
<td>May-12</td>
<td>NSE launches “EMERGE” - SME Platform</td>
</tr>
<tr>
<td>Dec-11</td>
<td>NSCCL Rated ‘CCR AAA’ for fourth consecutive year - 28th Dec 2011</td>
</tr>
<tr>
<td>Sep-11</td>
<td>Launch of derivatives on Nifty PSE and Nifty Infrastructure Indices</td>
</tr>
<tr>
<td>Aug-11</td>
<td>Launch of derivatives on Global Indices</td>
</tr>
<tr>
<td>Jul-11</td>
<td>Commencement of trading in 91 Day GOI Treasury Bill - Futures</td>
</tr>
<tr>
<td>Jan-11</td>
<td>NSE receives ’Financial Inclusion” Award</td>
</tr>
<tr>
<td>Dec-10</td>
<td>NSCCL rated ‘CCR AAA’ for third consecutive year</td>
</tr>
<tr>
<td>Nov-10</td>
<td>Launch of mobile trading for all investors</td>
</tr>
<tr>
<td>Oct-10</td>
<td>Introduction of Currency Options on USD INR</td>
</tr>
<tr>
<td>Oct-10</td>
<td>Introduction of European Style Stock Options</td>
</tr>
<tr>
<td>Oct-10</td>
<td>Introduction of Call auction in Pre-open session</td>
</tr>
<tr>
<td>Jul-10</td>
<td>LOI signed with London Stock Exchange Group</td>
</tr>
<tr>
<td>Jul-10</td>
<td>Commencement of trading of Nifty Futures on CME</td>
</tr>
<tr>
<td>Jul-10</td>
<td>Real Time dissemination of India VIX</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Apr-10</td>
<td>Financial Derivative Exchange of the Year Award by Asian Banker</td>
</tr>
<tr>
<td>Mar-10</td>
<td>NSE- CME Group &amp; NSE - SGX product cross listing agreement</td>
</tr>
<tr>
<td>Feb-10</td>
<td>Launch of Currency Futures on additional currency pairs</td>
</tr>
<tr>
<td>Dec-09</td>
<td>Commencement of settlement of corporate bonds</td>
</tr>
<tr>
<td>Nov-09</td>
<td>Launch of Mutual Fund Service System</td>
</tr>
<tr>
<td>Aug-09</td>
<td>Launch of Interest Rate Futures</td>
</tr>
<tr>
<td>Aug-08</td>
<td>Launch of Currency Derivatives</td>
</tr>
<tr>
<td>Apr-08</td>
<td>Launch of Securities Lending &amp; Borrowing Scheme</td>
</tr>
<tr>
<td>Apr-08</td>
<td>Launch of India VIX</td>
</tr>
<tr>
<td>Mar-08</td>
<td>Introduction of long term option contracts on Nifty 50 Index</td>
</tr>
<tr>
<td>Jan-08</td>
<td>Introduction of Mini Nifty derivative contracts on 1st January 2008</td>
</tr>
<tr>
<td>Oct-07</td>
<td>NSE launches derivatives on Nifty Midcap 50</td>
</tr>
<tr>
<td>Jun-07</td>
<td>NSE launches derivatives on Nifty Next 50 &amp; Nifty 100</td>
</tr>
<tr>
<td>Mar-07</td>
<td>NSE, CRISIL announce launch of IndiaBondWatch.com</td>
</tr>
<tr>
<td>Jan-07</td>
<td>Launch of NSE – CNBC TV 18 media center</td>
</tr>
<tr>
<td>Dec-06</td>
<td>Derivative Exchange of the Year’, by Asia Risk magazine</td>
</tr>
<tr>
<td>Jun-05</td>
<td>Launch of Futures &amp; options in BANK Nifty Index</td>
</tr>
<tr>
<td>Mar-05</td>
<td>India Innovation Award by EMPI Business School, New Delhi</td>
</tr>
<tr>
<td>Aug-04</td>
<td>Launch of NSE’s electronic interface for listed companies</td>
</tr>
<tr>
<td>Jun-04</td>
<td>Launch of STP Interoperability</td>
</tr>
<tr>
<td>Aug-03</td>
<td>Launch of Futures &amp; options in NIFTYIT Index</td>
</tr>
<tr>
<td>Jun-03</td>
<td>Commencement of trading in Retail Debt Market</td>
</tr>
<tr>
<td>Oct-02</td>
<td>Launch of NSE Government Securities Index</td>
</tr>
<tr>
<td>Jan-02</td>
<td>Launch of Exchange Traded Funds (ETFs)</td>
</tr>
<tr>
<td>Dec-01</td>
<td>Launch of VaR for Government Securities</td>
</tr>
<tr>
<td>Nov-01</td>
<td>Commencement of trading in Futures on Individual Securities</td>
</tr>
<tr>
<td>Jul-01</td>
<td>Commencement of trading in Options on Individual Securities</td>
</tr>
<tr>
<td>Jun-01</td>
<td>Commencement of trading in Index Options</td>
</tr>
<tr>
<td>Dec-00</td>
<td>Commencement of WAP trading</td>
</tr>
<tr>
<td>Nov-00</td>
<td>Launch of Broker Plaza by Dotex International, a joint venture between NSE.IT Ltd. and i-flex Solutions Ltd.</td>
</tr>
<tr>
<td>Sep-00</td>
<td>Launch of ‘Zero Coupon Yield Curve’</td>
</tr>
<tr>
<td>Jun-00</td>
<td>Commencement of Derivatives Trading (Index Futures)</td>
</tr>
<tr>
<td>Feb-00</td>
<td>Commencement of Internet Trading</td>
</tr>
<tr>
<td>Jan-00</td>
<td>Launch of NSE Research Initiative</td>
</tr>
<tr>
<td>Oct-99</td>
<td>Setting up of NSE.IT</td>
</tr>
<tr>
<td>Apr-99</td>
<td>CHIP Web Award by CHIP magazine</td>
</tr>
<tr>
<td>Feb-99</td>
<td>Launch of Automated Lending and Borrowing Mechanism</td>
</tr>
<tr>
<td>Aug-98</td>
<td>CYBER CORPORATE OF THE YEAR 1998 award</td>
</tr>
<tr>
<td>Jul-98</td>
<td>Launch of NSE’s Certification Programme in Financial Market</td>
</tr>
<tr>
<td>May-98</td>
<td>Launch of NSE’s Web-site: <a href="http://www.nse.co.in">www.nse.co.in</a></td>
</tr>
<tr>
<td>May-98</td>
<td>Promotion of joint venture, India Index Services &amp; Products Limited (IISL)</td>
</tr>
<tr>
<td>Nov-97</td>
<td>Best IT Usage award by Computer Society of India</td>
</tr>
<tr>
<td>Feb-97</td>
<td>Regional clearing facility goes live</td>
</tr>
<tr>
<td>Dec-96</td>
<td>Launch of Nifty Next 50</td>
</tr>
<tr>
<td>Dec-96</td>
<td>Commencement of trading/settlement in dematerialized securities</td>
</tr>
<tr>
<td>Nov-96</td>
<td>Best IT Usage award by Computer Society of India</td>
</tr>
<tr>
<td>Nov-96</td>
<td>Setting up of National Securities Depository Limited, first depository in India, co-promoted by NSE</td>
</tr>
<tr>
<td>Jun-96</td>
<td>Establishment of Settlement Guarantee Fund</td>
</tr>
<tr>
<td>Apr-96</td>
<td>Launch of Nifty 50</td>
</tr>
<tr>
<td>Apr-96</td>
<td>Commencement of clearing and settlement by NSCCL</td>
</tr>
<tr>
<td>Oct-95</td>
<td>Became largest stock exchange in the country</td>
</tr>
<tr>
<td>Jul-95</td>
<td>Establishment of Investor Protection Fund</td>
</tr>
<tr>
<td>Jun-95</td>
<td>Introduction of centralized insurance cover for all trading members</td>
</tr>
<tr>
<td>Apr-95</td>
<td>Establishment of NSCCL, the first Clearing Corporation</td>
</tr>
<tr>
<td>Mar-95</td>
<td>Establishment of Investor Grievance Cell</td>
</tr>
</tbody>
</table>
Nov-94 Capital Market (Equities) segment goes live
Jun-94 Wholesale Debt Market segment goes live
Apr-93 Recognition as a stock exchange
Nov-92 Incorporation
9th Jul 2001 Stock options launched
2nd Jul 2001 VaR model introduced for margin requirement calculation
15th Jun 2001 WDM operations at commenced
4th Jun 2001 S&P BSE PSU index introduced
1st Jun 2001 Index Options launched
1st Feb 2001 BSE Webx Launched
1st Mar 2001 Corporatization of Exchanges proposed by the Union Govt.

1996 To 2000
9th Jun 2000 Equity Derivatives introduced
11th Feb 2000 S&P BSE SENSEX crosses 6000 intra-day
11th Oct 1999 S&P BSE SENSEX closed above 5000
15th Jul 1999 CDSL commences work
1st Jun 1999 Interest Rate Swaps (IRS) / Forward Rate Agreements (FRA) allowed
22nd Mar 1999 Central Depository Services Ltd.(CDSL) set up with other financial institutions
1997 BSE On-Line Trading (BOLT) system expanded nation-wide
21st Jul 1997 Brokers Contingency Fund (BCF) introduced
12th May 1997 Trade Guarantee Fund (TGF) introduced
19th Aug 1996 First major S&P BSE SENSEX revamp

1875 To 1995
14th Mar 1995 BSE On-Line Trading (BOLT) system introduced
1992 Securities Appellate Tribunal (SAT) established
29th May 1992 Capital Issues (Control) Act repealed
1st May 1992 SEBI Act established
30th Mar 1992 S&P BSE SENSEX closes above 4000
15th Jan 1992 S&P BSE SENSEX closes above 2000
25th Jul 1990 S&P BSE SENSEX closes above 1000
3rd Jan 1989 BSE Training Institute (BTI) inaugurated
10th Jul 1987 Investor's Protection Fund (IPF) introduced
2nd Jan 1986 S&P BSE SENSEX , country's first equity index launched (Base Year:1978-79 =100)
31st Aug 1957 BSE granted permanent recognition under Securities Contracts (Regulation) Act (SCRA)
2nd Feb 1921 Clearing House started by Bank of India
9th Jul 1875 The Native Share & Stock Broker's Association formed

Sources: NSE Website

THE ROAD AHEAD

India’s regulators have been active in seeking ways to develop the country’s stock markets, and a culture of introducing greater risk management is starting to set in. The main challenge ahead is to strengthen the political will to further ease regulations in the capital markets and the limits prescribed to market participants. India’s economy is expected to benefit enormously from the process of gradual capital market liberalization. Empirical evidence has shown that emerging market economies that have heralded changes in their financial markets experienced higher growth and investment. It has been a long volatile journey for the Indian capital market. Now the capital market is organized, matured, valued, nicely regulated and more global. The Indian market is one of the most attractive markets today, which gives stable high rate of return compared to other countries

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INFLUENCE OF TELEVISION JEWELLERY COMMERCIALS ON RECALL, BRAND AWARENESS AND PERSUASION IN KERALA: A BRAND WISE COMPARISON

R. Renjith Kumar\textsuperscript{21} Dr. S. Sankaranarayanan\textsuperscript{22}

ABSTRACT

This study investigated the effect of Jewellery television commercials on the recall, brand awareness and purchase intention. This paper aims to analyses the impact of advertising and its brand awareness on purchase intention and behavior. A total of 376 respondents are interviewed from central Kerala. The study results show that there is a significant relationship between their favorite advertisement, favorite advertisement, purchased brand and the brand they buy in future.

Kalyan is the leading brand, which is recalled by consumers on the top of their mind. Brand recall and brand awareness have a positive relationship on consumer’s purchase intention. Among the brands compared Bhima jewelers has a significant relationship on these variables, which is followed by Kalyan. Malabar gold and diamonds has no significant relationship between its advertisement and brand awareness, but has a significant relationship in future purchase by the consumers. Similarly, Josco advertisement has not contributed much to brand awareness even though it has a significant relationship in purchased brand and future purchase.

KEYWORDS

Brand Recall, Brand Awareness, Purchase Behavior, Purchase Intention, Persuasion etc.

INTRODUCTION

Advertisements can be evaluated after the commercial is run with the help of memorability test, attitude change and buying behavior. Posttest message tracking assesses the performance of advertisements during or after the launch of an advertisement campaign. Common measures of an advertisement’s performance are recall, recognition, awareness and attitude, and purchase behavior (Thomas et al, 2000). The creation of effective advertising has been a concern among advertisers and advertising agencies. Various rules of thumb for creating effective advertisements have existed since the beginning of advertising. A substantial body of knowledge concerning the effects of different executional devices on the recall of advertising was developed during the twentieth century. The results of this work suggested a sizeable proportion of the observed variation in the recognition and recall of television based Jewellery advertisements could be accounted for simple mechanical factors. Considerably less has been accomplished in the study of the effects of television advertising (Stewart & Furse, 1985) and the present study is intended to fill that gap.

NEED AND SCOPE OF THE STUDY

This study was designed to add to the descriptive literature on the effects of various advertising executional devices on measuring the impact of television based Jewellery advertisements in Kerala. The focus of the study was television-based advertisements. The study was designed to examine the influence of television advertising execution on representative sets of consumers viewing commercials. Unlike other advertising effectiveness studies where respondents were asked to evaluate advertising formats, content and elements and their effectiveness, the respondents in this study were asked to evaluate the effectiveness of advertisement with recall, brand awareness and purchase intention. This study evaluates a particular product advertisements rather than a single advertisement. Little research has measured to understand the effectiveness of television based Jewellery advertisements in Kerala. Hence, this study is highly relevant.

STATEMENT OF THE PROBLEM

Previous studies conducted on effectiveness of television advertisements focused on key message comprehension and brand choice (Stewart, 1986). Komal Nagar (2009) conducted a comparative study on web and television advertising and identified an effective medium for advertising effectiveness. Most of the studies focused on message elements and contents of advertisements in creating brand awareness. Gerald et al (2000) conducted a study on recall, liking and creativity and analyzed their relationship. Some studies specifically analyzed aided or unaided recall ability with awareness and purchase intention. Most of the literature review focused on brand attitude and purchase influence. Few studies focused on celebrity image and consumer’s intention to purchase (Roobina Ohanian, 1991). Previous studies focused on more product categories rather than specific product...
advertisements. Also advertising effectiveness studies measured cognitive factors such as recall and attitude change. Focus was not given much on persuasion and behavior change (Komal Nagar, 2009). All these research gaps were addressed through this study.

LITERATURE REVIEW

Memorability is measured as the ability to recall an advertisement, tested by a variety of methods (Peters and Bijmolt, 1997) but primarily by experimental procedures. The methods used and the outcomes derived are somewhat controversial, although recall is conceded to be a necessary condition of advertising effectiveness (Dubow, 1994). One of the variables in recall is the brand, which is powerful that researchers control brand effects, usually with mixed results (Pechmann and Stewart, 1990). Studies focused on brand recall and brand attitude towards purchase intention (Chi et al, 2009; Balakrishnan et al, 2012; Shah et al, 2012) suggested that brand recall of brand awareness was positively related to purchase intention. While researchers found weak correlation between attitudes towards advertising and purchase behavior (Nelson et al, 2004), favourable attitudes towards advertising had a positive effect on the individuals’ consumption behavior.

OBJECTIVES OF THE STUDY

- To identify the brand of jewellery advertisement at the top of the mind of consumers.
- To analyses the relationship between recall, favourite advertisement, favourite brand and purchase behavior and purchase intention.
- To compare the leading brands recall influencing to purchase of the brand.

RESEARCH METHODOLOGY

The study is conducted on branded jewellery advertisements in Malayalam television channels, which are selected, based on the frequency of advertisement in these channels. The study period was 2014-2015. This study is conducted in the central region that comprises Kottayam, Cochin and Trissur. The central region is equitably distributed by religion and all branded jewellery shops are present. The average number of customers visiting branded shops each day in Trissur is 1190; in Cochin 1000; and the average number of customers visiting in branded shops daily in Kottayam is 1175. Thus, the population for the study is taken as 3365. The sample size is calculated as 376. Proportionate stratified sampling is adopted to collect the samples from three places. Data is collected from both primary and secondary sources. The primary data is collected with the help of a structured questionnaire. The constructs of the questionnaire are taken from empirical studies. The questionnaire is validated and Cronbach’s alpha is calculated as 0.76. Pilot study is conducted among 30 respondents to know the relevance and understandability of questions and modifications were made. The data collection period was October 2015 to December 2015. The response rate is 90%. A total of 416 questionnaires were distributed out of which 27 were not fully answered and 14 were not returned. Thus, 376 completely filled up questionnaires were used for the analysis of the study. The basic limitations of this study is that it cannot be generalized to entire geographical segment as it is confined with central region. The data represent a set of commercials tested during one particular period. The composition of the sample respondents in the data set were females, since women are the most frequent purchasers and users of the product advertised.

DISCUSSION AND RESULTS

Demographic Profile of Respondents

The demographic profile of the respondents is shown in table 1.

Table-1: Demographic Profile

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Categories</th>
<th>Number of Responses N (376)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>115 (31%)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>261 (69%)</td>
</tr>
<tr>
<td>Age group</td>
<td>&lt; 20</td>
<td>11 (3%)</td>
</tr>
<tr>
<td></td>
<td>&gt; 20 - &lt; 30</td>
<td>118 (31%)</td>
</tr>
<tr>
<td></td>
<td>&gt;30 - &lt;40</td>
<td>129 (34%)</td>
</tr>
<tr>
<td></td>
<td>&gt; 40 - &lt; 50</td>
<td>90 (24%)</td>
</tr>
<tr>
<td></td>
<td>&gt; 50</td>
<td>28 (8%)</td>
</tr>
<tr>
<td>Occupation</td>
<td>Government employees</td>
<td>71 (19%)</td>
</tr>
<tr>
<td></td>
<td>Private sector</td>
<td>180 (48%)</td>
</tr>
<tr>
<td></td>
<td>Self-employed-Business</td>
<td>30 (8%)</td>
</tr>
</tbody>
</table>
Among the 376 samples collected for the study, 69% are females and the remaining are male respondents. 34% of the respondents belong to the age group between 30- 40. Among the employed class, 48% of the respondents are occupied in private sector. 30% of the respondents belong to monthly income group between Rs.20,000 - Rs.40,000. 77% of the respondents are married and 20% of them are single. The education status of the respondents shows that 30% are postgraduates; 26% are degree holders and 22% hold professional qualification.

### Brandwise Comparison of Jewellery Advertisements

Out of the 376 respondents who recalled various commercials on jewellery, the leading five brands are taken for comparison. This analysis is shown below:

**Kalyan Jewellers**

127 consumers (34%) out of 376 samples recall Kalyan Jewellers at top of the mind. The percentages in the following table are calculated out of these 127 respondents and the top five brands are analyzed.

**Table-2: Kalyan Brand Recalled Responses**

<table>
<thead>
<tr>
<th>n = 127</th>
<th>Favourite Advertisement</th>
<th>Favourite Brand</th>
<th>Jewellery Shop Last Visited</th>
<th>Brand to buy in Next Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalyan</td>
<td>74 (58)</td>
<td>54 (43)</td>
<td>38 (30)</td>
<td>19 (15)</td>
</tr>
<tr>
<td>Bhima</td>
<td>22 (17)</td>
<td>36 (28)</td>
<td>26 (20)</td>
<td>25 (20)</td>
</tr>
<tr>
<td>Malabar</td>
<td>15 (12)</td>
<td>18 (14)</td>
<td>18 (14)</td>
<td>8 (6)</td>
</tr>
<tr>
<td>Josco</td>
<td>3 (2)</td>
<td>4 (3)</td>
<td>17 (13)</td>
<td>4 (3)</td>
</tr>
<tr>
<td>Joy Alukas</td>
<td>1 (1)</td>
<td>5 (4)</td>
<td>7 (6)</td>
<td>1 (1)</td>
</tr>
</tbody>
</table>

**Note:** Values in parenthesis represent percentage

**Sources:** Authors Compilation

Kalyan jewelers is recalled by 127 (34%) of the respondents. Out of the respondents who recalled Kalyan as first in their mind, 74 respondents (58%) stated that Kalyan jewelers are their favourite advertisement. Out of the 127 respondents who recalled Kalyan first, 43% of the respondents stated it as their favourite brand, 30% of these consumers already visited Kalyan showroom in their last visit and 15% of the consumers are willing to buy Kalyan brand in future. Out of the 127 respondents who recalled Kalyan, 22 respondents (17%) like Bhima advertisement as their favourite; 36 consumers (28%) stated that Bhima as their favourite brand, 20% of them already shopped from Bhima during their last visit and 20% of them are willing to shop from Bhima in the next visit.
It is clear from the table 2 that 127 consumers recall Kalyan; it is favourite advertisement for 74 viewers; 30% people visited the shop and only 15% consumers will buy in future. This is against concept that advertisement influences and creates brand awareness, which further leads to sales. Hence, when these values are correlated each other it is clear that only Bhima is effective. Even though viewers recall Kalyan brand, 20% of the respondents prefer to buy from Bhima. Out of the 127 consumers who recalled Kalyan brand, 59 (46%), consumers have not yet decided which brand to buy in future.

There is a strong association between favourite advertisement and favourite brand (0.96). The p value that associates favourite advertisement and favorite brand is 0.03. Since the p value is less than 0.5 (alpha), correlations is highly significant.

The correlation between favourite brand and last brand purchased is 0.94 where there is a strong association, the p value is 0.016, and hence correlation is in fact significant between favourite brand and last brand purchased.

The association between favourite brand and the future brand preference is associated with a correlation score of 0.91. The p value is 0.02, which is less than α 0.5, and there is a significant relation between these variables.

**Bhima Jewelers**

**Table-3: Bhima Jewelers Recalled Responses**

<table>
<thead>
<tr>
<th>n = 127</th>
<th>Favourite Advertisement</th>
<th>Favourite Brand</th>
<th>Jewellery Shop Last Visited</th>
<th>Brand to buy in Next Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhima</td>
<td>46 (62)</td>
<td>47 (64)</td>
<td>38 (51)</td>
<td>32 (43)</td>
</tr>
<tr>
<td>Kalyan</td>
<td>11 (15)</td>
<td>7 (9)</td>
<td>7 (9)</td>
<td>4 (5)</td>
</tr>
<tr>
<td>Malabar</td>
<td>8 (11)</td>
<td>13 (18)</td>
<td>7 (9)</td>
<td>8 (11)</td>
</tr>
<tr>
<td>Josco</td>
<td>3 (4)</td>
<td>0</td>
<td>5 (7)</td>
<td>0</td>
</tr>
<tr>
<td>Joy Alukas</td>
<td>2 (3)</td>
<td>1 (1)</td>
<td>1 (1)</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: Values in parenthesis represent percentage

Sources: Authors Compilation

Bhima jewelers is recalled by 74 (20%) of the respondents. Out of the respondents who recalled Bhima as top of their mind, 46 respondents (62%) stated that Bhima is their favourite advertisement. Out of the 74 respondents who recalled Bhima first, 47 respondents (64%) stated it as their favourite brand. 51% of these consumers already visited Bhima showroom during their last visit and 43% of the consumers are willing to buy Bhima brand in future.

Out of the 74 respondents who recalled Bhima, 11 respondents like Kalyan advertisement as their favourite; 9% consumers stated Kalyan as their favourite brand, 9% of them already shopped from Kalyan during their last visit and only 5% of them are willing to shop from Kalyan in the next visit. This analysis also shows that people prefer to buy Bhima in future. It is also found that out of the 74 consumers who recalled Bhima brand, 21 (28%) consumers have not yet decided which brand to buy in future.

The association between favourite advertisement and favourite brand in table 3 is analyzed (0.74). The p value that associates favourite advertisement and favorite brand is 0.25. Since the p value is less than 0.5 (alpha), correlations is highly significant.

The association between favourite brand and the brand purchased is associated with a correlation score of 0.70. The p value is 0.29, which is less than α 0.5, and there is a significant relation between these variables.

The association between favourite brand and the future brand preference is associated with a correlation score of 0.99. The p value is 0.0025, which is less than α 0.5, and there is a significant relation between brand awareness of Bhima and purchase influence.

**Malabar Gold**

**Table-4: Malabar Gold recalled Respondent’s Opinion**

<table>
<thead>
<tr>
<th>n = 74</th>
<th>Favourite Advertisement</th>
<th>Favourite Brand</th>
<th>Jewellery Shop Last Visited</th>
<th>Brand to buy in Next Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malabar</td>
<td>48 (65)</td>
<td>45 (61)</td>
<td>33 (45)</td>
<td>12 (16)</td>
</tr>
<tr>
<td>Kalyan</td>
<td>11 (15)</td>
<td>4 (5)</td>
<td>3 (4)</td>
<td>0</td>
</tr>
<tr>
<td>Bhima</td>
<td>9 (12)</td>
<td>9 (12)</td>
<td>5 (7)</td>
<td>7 (9)</td>
</tr>
<tr>
<td>Josco</td>
<td>2 (3)</td>
<td>5 (7)</td>
<td>8 (11)</td>
<td>3 (4)</td>
</tr>
<tr>
<td>Joy Alukas</td>
<td>2 (3)</td>
<td>3 (4)</td>
<td>6 (8)</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: Values in parenthesis represent percentage

Sources: Authors Compilation
Malabar Gold and Diamonds is recalled by 74 (20%) of the respondents. Out of the respondents who recalled Malabar as top of their mind, 48 respondents (65%) opined Malabar as their favourite advertisement. Out of the 74 respondents who recalled Malabar first, 45 respondents (61%) stated it as their favourite brand. 45% of these consumers already visited Malabar showroom during their last visit and 16% of the consumers are willing to buy from Malabar brand in future.

Out of the 74 respondents who recalled Malabar, 11 respondents (15%) like Kalyan advertisement as their favourite; 5% consumers stated Kalyan as their favourite brand, 4% of them already shopped from Kalyan during their last visit. 12% of the respondents who recalled Malabar brand stated Bhima as their favourite advertisement; 12% of the viewers opined Bhima as their favourite brand; 7% already shopped from Bhima and 9% of the consumers prefer to buy Bhima brand in future. Among the 74 consumers who recalled Malabar, 59% of the consumers could not decide their brand to buy in future.

The association between favourite advertisement and favourite brand in table-3 is analyzed (0.40). The p value is calculated to know whether there is any significant relationship between these variables. Since the p value is 0.59, which is greater than $\alpha = 0.5$, correlation between these variables is not significant.

Out of the 74 respondents who recalled Josco, 11 respondents (25%) like Kalyan advertisement as their favourite; 14% consumers stated Kalyan as their favourite brand, 4% of them already shopped from Kalyan during their last visit. 12% of the respondents who recalled Josco brand stated Bhima as their favourite advertisement; 12% of the viewers opined Bhima as their favourite brand; 7% already shopped from Bhima and 9% of the consumers prefer to buy Bhima brand in future. Among the 74 consumers who recalled Josco, 59% of the consumers could not decide their brand to buy in future.

The association between favourite advertisement and favourite brand in table-3 is analyzed (0.40). The p value is calculated to know whether there is any significant relationship between these variables. Since the p value is 0.59, which is greater than $\alpha = 0.5$, correlation between these variables is not significant.

Josco Jewelers

<table>
<thead>
<tr>
<th>n = 44</th>
<th>Favourite Advertisement</th>
<th>Favourite Brand</th>
<th>Jewellery Shop Last Visited</th>
<th>Brand to buy in Next Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Josco</td>
<td>15 (34)</td>
<td>13 (30)</td>
<td>15 (34)</td>
<td>8 (18)</td>
</tr>
<tr>
<td>Kalyan</td>
<td>11 (25)</td>
<td>6 (14)</td>
<td>4 (9)</td>
<td>1 (2)</td>
</tr>
<tr>
<td>Bhima</td>
<td>3 (7)</td>
<td>6 (14)</td>
<td>5 (11)</td>
<td>3 (7)</td>
</tr>
<tr>
<td>Malabar</td>
<td>6 (14)</td>
<td>10 (23)</td>
<td>8 (18)</td>
<td>6 (14)</td>
</tr>
<tr>
<td>Joy Alukas</td>
<td>2 (5)</td>
<td>3 (7)</td>
<td>3 (7)</td>
<td>1 (2)</td>
</tr>
</tbody>
</table>

Note: Values in parenthesis represent percentage

Sources: Authors Compilation

Josco jewelers is recalled by 44 (12%) of the respondents. Out of the respondents who recalled Josco as top of their mind, 15 respondents (34%) opined Josco as their favourite advertisement. Out of the 44 respondents who recalled Josco first, 13 respondents (30%) stated it as their favourite brand. 34% of these consumers already visited Josco showroom during their last visit and 18% of the consumers are willing to buy from Josco jewelers in future.

Out of the 44 respondents who recalled Josco, 11 respondents (25%) like Kalyan advertisement as their favourite; 14% consumers stated Kalyan as their favourite brand, 9% of them already shopped from Kalyan during their last visit and only 2% prefer to buy from Kalyan.

Among the 44 respondents who recalled Josco brand 14% stated Malabar as their favourite advertisement; 23% of the viewers opined Malabar as their favourite brand; 18% already shopped from Malabar and 14% of the consumers prefer to buy Malabar brand in future. 55% of the consumers who recall Josco brand could not decide their future brand to purchase.

The association between favourite advertisement and favourite brand in table 5 is analyzed (0.35) which seems to be favourable. The p value is calculated to know whether there is any significant relationship between these variables. The p value is 0.64, which is greater than $\alpha = 0.5$ and the recall of Josco jewelers will not contribute to brand awareness. Hence, these variables are insignificant.

The association between favourite brand and the brand purchased is associated with a correlation score of 0.96, which is strong. The p value is 0.03 which is less than $\alpha = 0.5$, and there is significant relation between favourite brand and brand purchased. Thus Josco brand awareness has influenced the past purchase behavior of consumers.

The correlation of Josco brand and future purchase brand is correlated and $r = 0.97$. The p value is 0.02 compared to $\alpha = 0.5$ and there is a significant relation between favourite brand and future influence.
Joy Alukas

Table-6: Joy Alukas Recalled Respondent’s Opinion

<table>
<thead>
<tr>
<th></th>
<th>Favourite Advertisement</th>
<th>Favourite Brand</th>
<th>Jewellery Shop Last Visited</th>
<th>Brand to buy in Next Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joy Alukas</td>
<td>6 (32)</td>
<td>3 (16)</td>
<td>3 (16)</td>
<td>2 (11)</td>
</tr>
<tr>
<td>Kalyan</td>
<td>4 (21)</td>
<td>4 (21)</td>
<td>3 (16)</td>
<td>2 (11)</td>
</tr>
<tr>
<td>Bhima</td>
<td>4 (21)</td>
<td>5 (26)</td>
<td>4 (21)</td>
<td>4 (21)</td>
</tr>
<tr>
<td>Malabar</td>
<td>2 (11)</td>
<td>2 (11)</td>
<td>3 (16)</td>
<td>1 (5)</td>
</tr>
<tr>
<td>Josco</td>
<td>1 (5)</td>
<td>3 (16)</td>
<td>0</td>
<td>3 (16)</td>
</tr>
</tbody>
</table>

Note: Values in parenthesis represent percentage

Sources: Authors Compilation

Joy Alukas is recalled by 19 (5%) of the respondents. Out of the respondents who recalled Joy Alukas as top of their mind, 6 respondents (32%) opined Joy Alukas as their favourite advertisement. Out of the 19 respondents who recalled Joy Alukas first, 3 respondents (16%) stated it as their favourite brand. 16% of these consumers already visited Joy Alukas showroom during their last visit and 11% of the consumers are willing to buy from Joy Alukas in future.

Out of the 19 respondents who recalled Joy Alukas, 4 respondents (21%) like Bhima advertisement as their favourite; 26% consumers stated Bhima as their favourite brand, 21% of them already shopped from Bhima during their last visit and only 21% of the consumers prefer to buy from Bhima in future.

Among the 19 respondents who recalled Joy Alukas brand 5% stated Josco as their favourite advertisement; 16% of the viewers opined it as their favourite brand. 16% of the consumers prefer to buy Josco brand in future. This analysis also shows that favourite advertisement does not have any relationship on brand purchase. 32% of the consumers who recalled Joy Alukas at top of mind could not decide about their brand to purchase in future.

The correlation between favourite advertisement and favourite brand in table 6 is 0.77, which is favorable. The p value is 0.22 which is less than $\alpha = 0.5$. Thus, it is proved that the relationship between favourite advertisement and favourite brand are significant.

The association between favourite brand and the brand purchased is associated with a correlation score of 0.44. To find the significance p value is calculated. The p value, 0.55 is more than $\alpha = 0.5$, and there is no significant relation between favourite brand and brand purchased. Thus, Joy Alukas brand awareness has not influenced the purchase behavior of consumers.

The correlation between Joy Alukas brand and future purchase brand is correlated and $r = 0.8$. The p value 0.2 is less compared to $\alpha = 0.5$ and there is a significant relation between favourite brand and future purchase.

Table-7: Brands Recalled with their Effect on Purchase

<table>
<thead>
<tr>
<th>Number of Recalled Responses</th>
<th>Favourite Advertisement</th>
<th>Favourite Brand</th>
<th>Jewellery Shop Last Visited</th>
<th>Brand to buy in Next Purchase</th>
<th>Undecided to Buy a Brand in Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalyan 127</td>
<td>74 (58)</td>
<td>54 (43)</td>
<td>38 (30)</td>
<td>19 (15)</td>
<td>59 (46%)</td>
</tr>
<tr>
<td>Bhima 74</td>
<td>46 (62)</td>
<td>47 (64)</td>
<td>38 (51)</td>
<td>32 (43)</td>
<td>21 (28%)</td>
</tr>
<tr>
<td>Malabar 74</td>
<td>48 (65)</td>
<td>45 (61)</td>
<td>33 (45)</td>
<td>12 (16)</td>
<td>44 (59%)</td>
</tr>
<tr>
<td>Josco 44</td>
<td>15 (34)</td>
<td>13 (30)</td>
<td>15 (34)</td>
<td>8 (18)</td>
<td>24 (35%)</td>
</tr>
<tr>
<td>Joy Alukas 19</td>
<td>6 (32)</td>
<td>3 (16)</td>
<td>3 (16)</td>
<td>2 (11)</td>
<td>6 (32%)</td>
</tr>
</tbody>
</table>

Note: Values in parenthesis represent percentage

Sources: Authors Compilation

Table-7 shows the overall recall of brands with their purchase behavior and intention. There is a strong association between favourite advertisement and favourite brand (0.99). The p value is 0.002, which is very negligible and is less than 0.5 (alpha value). Hence, favourite advertisement and favourite brands are highly correlated and is highly significant.

The association between favourite brand and the brand purchased is associated with a correlation score of 0.98. To find the significance p value is calculated. The p value is 0.011 is less than $\alpha = 0.5$, and there is a significant relation between favourite brand and brand purchased. Thus jewellery brand have an impact on purchase behavior.
The correlation between favourite jewellery brand and future brand preference is correlated and $r = 0.79$. To know whether there is any significance $p$ value is calculated. The $p$ value 0.2 is less compared to $\alpha = 0.5$ and there is a significant relation between favourite brands and future purchase.

**FINDINGS OF THE STUDY**

- Kalyan brand is recalled on top of mind by 34% of consumers. Bhima (20%) and Malabar (20%) follow the top of mind recall. Josco jewelers are recalled by 12% of viewers and Joy Alukas is recalled by 5% of the consumers.
- There is a strong correlation between recall and favourite jewellery advertisement (0.99). In addition, brand awareness and purchase behavior are strongly correlated (0.98). The correlation between favourite jewellery brand and purchase intention is 0.79. The $p$-value is calculated and it is proved that there is a significant relationship between these variables. The correlation between favourite advertisement and favourite brand of those consumers who recalled Kalyan brand at their top of the mind is 0.96. There is high significance between favourite brands, brand purchased and brand to be purchased in future.
- 20% of the consumers who recalled Bhima showed a significant relationship between favourite advertisement, favourite brand, purchased brand and the brand they want to buy in future.
- 20% of consumers who recall Malabar have no significance between influence of advertisement and brand awareness. There is no significant relationship between brand awareness and purchased brand. It is proved that Malabar brand awareness has a significant relation for the brand they buy in future.
- It is proved that recall of Josco (12%) has not contributed to brand awareness. However, there is a strong correlation between Josco as favourite brand and purchased brand and future purchase.
- 5% of the respondents recall Joy Alukas at top of their mind. There is a significant relationship between favourite advertisement and favourite brand. However, brand awareness of Joy Alukas has not influenced in buying behavior. Nevertheless, it is proved that brand awareness will influence their future purchase.

**RECOMMENDATIONS**

- Malabar Jewelers and Josco can minimize the expenses on television media, as there is no impact on awareness. Consumers get awareness from other sources. Hence, they can minimize the expense on advertising.
- Kalyan, Bhima can also minimize the expense on television advertising as these two brands are strongly positioned. The awareness created by these two brands has a significant impact on purchase behavior and intention.
- Joy Alukas can reduce expenditure on television advertising and choose other media especially print for brand building. However, the awareness created by Joy Alukas has a significant influence on purchase. Hence, they can also focus on sales promotional tools to increase sales.

**CONCLUSION**

The present study results suggest that there is a positive association between recall and persuasion. Compared with the existing cognitive measures on recall and attitude change, this study focuses on measures of persuasion and Behavioural change of consumers. The present results have implications for the development and refinement of measures of advertising effectiveness. The nature of measures of recall, comprehension, awareness and attitude, purchase behavior and intent and the relationships among these measures differ for new and established brands. There is some empirical evidence to support that prior awareness of a product may mediate the relationship between advertisement execution, recall, and persuasion (Holman & Hecker, 1983). This could be tested with the current database. The top of the mind recall and influence on both recall and persuasion performances of commercials could be examined through this analysis.

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*****
A STUDY ON PERFORMANCE OF INDIAN COMMERCIAL BANKS
AND IT’S RELATIONSHIP WITH HUMAN ASPECTS IN BANKING

Joy Thomas23 Dr. S. Rabiyathul Basariya24

INTRODUCTION

The banking sector performs three primary functions in an economy; first, the operation of the payment system, second, the mobilization of savings and finally, the allocation of savings to investment projects. The banking system, which constitutes the core of the financial sector, plays a critical role in transmitting monetary policy impulses to the entire economic system. An efficient banking structure can promote greater amount of investment, which can further help to achieve a faster growth rate of economy. Worldwide experience confirms that countries with well-developed and market oriented free banking system grow faster and more consistently.

RESEARCH QUESTIONS AND FORMULATION OF HYPOTHESIS

From the literature review, liquidity, profitability, efficiency, asset quality and capital adequacy ratio has been identified as the main indicators of performance of banks. To study the relationship of financial indicators, employee satisfaction and customer satisfaction and corporate social responsibility with the performance of banks, the following research questions have been formulated:

Research Question 1: Is there any relationship between financial indicators; namely, liquidity, profitability, efficiency, asset quality and capital adequacy ratio with performance of the banks?

Null Hypothesis 1 (H01): There is no relationship between liquidity and performance of banks.
Null Hypothesis 2 (H02): There is no relationship between profitability and performance of banks.
Null Hypothesis 3 (H03): There is no relationship between efficiency and performance of banks.

Population and Sampling

The secondary data has been collected for three years from the period 2009-10 to 2014-15. Since the secondary data has been collected on financial indicators of commercial banks, hence all the commercial banks operating in India during the above period are the population of the study. Regarding the primary data, the objective of the study is to measure the customer satisfaction and employee satisfaction; hence, all the customers and employees of commercial banks are the population of the study.

Sampling of Banks

<table>
<thead>
<tr>
<th>Public Sector Banks</th>
<th>Private Sector Banks</th>
<th>Foreign Sector Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Bank of India (SBI)</td>
<td>Axis Bank (AXIS)</td>
<td>CITI Bank (CITI)</td>
</tr>
<tr>
<td>Allahabad Bank (ALB)</td>
<td>Federal Bank (FB)</td>
<td>Deustche Bank (DEU)</td>
</tr>
<tr>
<td>Bank of Baroda (BOB)</td>
<td>HDFC Bank (HDFC)</td>
<td>Hongkong and Shanghai Banking Corporation Ltd (HSBC)</td>
</tr>
<tr>
<td>Bank of India (BOI)</td>
<td>ICICI Bank (ICICI)</td>
<td>Royal Bank of Scotland (RBS)</td>
</tr>
<tr>
<td>Canara Bank (CB)</td>
<td>ING Vysya Bank (ING)</td>
<td>Standard Chartered Bank (SCH)</td>
</tr>
<tr>
<td>Central Bank of India (CBI)</td>
<td>Jammu &amp; Kashmir Bank (JKB)</td>
<td></td>
</tr>
<tr>
<td>Corporation Bank (COB)</td>
<td>Kotak Mahindra Bank (KMB)</td>
<td></td>
</tr>
<tr>
<td>Indian Bank (IB)</td>
<td>Karnataka Bank (KB)</td>
<td></td>
</tr>
<tr>
<td>Industrial Development Bank of India (IDBI)</td>
<td>South Indian Bank (SIB)</td>
<td></td>
</tr>
<tr>
<td>Indian Overseas Bank (IOB)</td>
<td>YES Bank (YES)</td>
<td></td>
</tr>
<tr>
<td>Oriental Bank of Commerce (OBC)</td>
<td>Punjab National Bank (PNB)</td>
<td></td>
</tr>
<tr>
<td>Punjab National Bank (PNB)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syndicate Bank (SB)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UCO Bank (UCO)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union Bank of India (UBOI)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

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24Associate Professor, Department of Commerce and Business Administration, Bharath University, Tamil Nadu, India, rabiya_s08@yahoo.com
There are four types of commercial banks operating in India; public sector banks, private Sector banks, foreign banks and regional rural banks (RRB). Out of these only private, public and foreign banks have been taken in the study.

The RRBs have been excluded from the study because the RRBs are not comparable with the other commercial banks in terms of size, scope, business and products/services offered by the banks. Thus, sample of 30 banks consisting, 15 public sector banks, 10 private sector banks and 5 foreign banks has been taken. The proportion of public, private and foreign banks in the total sample of 30 banks is based on the contribution of assets of these three types of banks in the total assets of the banking industry as on 31st March 2011. Among each group of public, private and foreign banks, banks have been randomly selected by using random number method. The group wise list of 30 banks used in the study.

Sample Size for Primary Data

<table>
<thead>
<tr>
<th>Sample Unit</th>
<th>Population Size</th>
<th>Confidence Level</th>
<th>Margin of Error</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks’ Customers</td>
<td>10000</td>
<td>95%</td>
<td>2.35</td>
<td>500</td>
</tr>
<tr>
<td>Banks’ Employees</td>
<td>10000</td>
<td>99%</td>
<td>2.35</td>
<td>500</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

As shown in Table, the population size has been calculated based on data taken from the website of Reserve Bank of India. Thus, the calculated sample size for customers and employees of the banks has been rounded off to 500. To collect primary data stratified random sampling technique has been used.

For sampling of customers and employees, whole India has been divided into four geographical regions as North, South, West and East. A list of capital cities in each geographical region has been prepared. Capital cities have been randomly selected from each list by random number method. Thus, total nine capital cities have been selected for the study. Figure shows the detail-sampling plan which is used for collecting primary data for both, from the customers and employees of the banks.

Sampling for Primary Data

<table>
<thead>
<tr>
<th>North</th>
<th>South</th>
<th>East</th>
<th>West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi</td>
<td>Chennai</td>
<td>Kolkata</td>
<td>Mumbai</td>
</tr>
<tr>
<td>Jaipur</td>
<td>Hyderabad</td>
<td>Patna</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>Chancigarh</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The collection of primary data on the importance of financial and human aspects in performance of banks has been done from thirty senior level bank employees. The list of experts from the area of banking and finance have been prepared using professional database, newspapers, magazines, and with the help of internet browser. Snowball sampling has been used for collecting data from the experts.

RESEARCH INSTRUMENTS FOR THE PRIMARY STUDY

For the purpose of primary data collection, three well-structured questionnaires have been developed. Questionnaire A has been developed for measuring the customer satisfaction. Questionnaire B has been developed for measuring employee satisfaction. Questionnaire C has been developed for measuring the importance of dimensions of performance of banks.

The nature of questions in the all the questionnaires is close ended. In questionnaire A, 24 statements and in questionnaire B, 34 statements have been included based on review of literature and discussions with experts in the relevant fields. The statements in both the questionnaires were to be rated on the five point Likert’s scale; where 1 means very dissatisfied, 2 means dissatisfied, 3 means neutral, 4 means satisfied and 5 means very satisfied.

A pilot study was conducted to measure the reliability and validity of the research instruments to check for potential errors and overall appropriateness of the questionnaires. The pilot study was conducted on 250 respondents for each questionnaire from Delhi/NCR region.
Table-4: Reliability Test for Questionnaire A and B

<table>
<thead>
<tr>
<th>Questionnaire</th>
<th>Number of Respondents</th>
<th>Number of Statements</th>
<th>Cronbach’s Alpha</th>
<th>Method of Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction (A)</td>
<td>250</td>
<td>24</td>
<td>0.78</td>
<td>Personal Interaction</td>
</tr>
<tr>
<td>Employee satisfaction (B)</td>
<td>250</td>
<td>34</td>
<td>0.79</td>
<td>Personal Interaction</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Area for the Study: Delhi, Gurgaon, Faridabad, Ghaziabad, and Noida

Software Used: SPSS 17.0

The reliability of the questionnaire was checked using Cronbach’s Alpha. As per the above table, the Cronbach’s alpha for both the questionnaires was above 0.70, which shows that both the questionnaires are reliable. In order to test the validity of the questionnaires, the Questionnaires were presented to the experts in the field of banking/finance and to the academicians in relevant field and all the items of both the questionnaires were discussed with them.

The Questionnaire C has been developed to find relative importance of financial aspects and human aspects in performance of banks. To measure the relative importance Analytic Hierarchy Process (AHP) model has been used.

DATA ANALYSIS

Primary data analysis for questionnaire A and B, has been done using various statistical tools like Factor Analysis, Multiple Linear Regression Analysis, ANOVA, Chi-square test, and Multiple Dichotomy Test. Data analysis of questionnaire C has been done using AHP Model. Secondary data analysis has been done using multiple regression analysis method.

FINDINGS AND CONCLUSIONS

The following are the empirical findings from the data analysis chapter.

- The analysis of financial parameters in the study revealed that Return on assets ratio is positively related to liquidity, profitability and capital adequacy ratio while it is negatively related to the asset quality variable.

- On the study of customer satisfaction, it is found that Convenience & Excellence, Bank’s Workforce and Bank’s Physical Environment are the three main factors, which lead to customer satisfaction in commercial banks of India. These factors are positively and significantly related to Overall customer satisfaction.

- An analysis of employee satisfaction in banks revealed that the job-specific factors, management behavior, working environment, training & development opportunities, interpersonal relationship and compensation & other benefits are the six factors, which lead to employee satisfaction in commercial banks. All these factors have a positive and significant relationship with the overall employee satisfaction in Indian commercial banks.

- It is derived from the study that there is no difference in the satisfaction level of customers and satisfaction level of employee based on location of bank branches in different geographical regions.

- From the study, it has been found that there is a significant difference in the satisfaction level of customers and satisfaction level of employee based on ownership structures of the banks.

- The comparative analysis of the public, private and foreign banks based on overall customer satisfaction shows that public banks are on top position in terms of customer satisfaction except the tangibility factors such as ambience, infrastructure, hygiene etc. The comparative analysis of the public, private and foreign banks on the basis of overall employee satisfaction shows that foreign banks are leading in employees of foreign banks are more satisfied with the job design, status, autonomy and independence while doing routine works, authority and responsibility and flexibility to balance life and work issues, compensation and other financial benefits; except job security. Public banks are leading in management behaviour factor and working environment factor while private sector banks are leading in training and development opportunities factor and interpersonal relationship factor.
• The study shows that there is a significant difference in the satisfaction level of customers belonging to different age groups, different occupations and having different annual income. However, there is no significant difference in the satisfaction level of the customers due to the gender difference and due to the difference in their educational qualification.

CONCLUSION

In financial service sector, particularly in banking activities, globalization increased management’s need for performance measurement. In this context, this study puts forth a comprehensive model proposal for the performance evaluation of the banking system whose effective and productive performance is measured by using financial and non-financial performance criteria. The performance criteria have been determined via the developed model and the performance of Indian commercial banks has been analyzed within the scope of the model. From the analysis, it is clear that human aspect is more important than financial aspect in banks. The banks which are performing well in three dimensions of human aspect i.e. corporate social responsibility, customer satisfaction and employee satisfaction are found to be overall good performers.

LIMITATIONS

The research suffers from the following limitations:

• Geographical scope of the study is limited to urban areas only.
• The sample size for primary study is three thousand customers and three thousand employees of the banks, which is of course small in comparison to population of customers and employees nationwide.
• There can be many interpretations and explanations to the data collected. This is an empirical study and the research provides the explanation as understood by the researcher only.
• The secondary data is collected for the period 2009-10 to 2011-12 therefore more evidence may be needed to generalize the results.

SCOPE FOR FURTHER RESEARCH

Since the current study is limited to data collected from urban areas only, the study can be extended to rural areas also. The further scope of the study is that a comparison between the Indian banks and banks of foreign countries can also be done using same conceptual model. The time of collecting secondary data can be extended from 3 years to 5 years or more.

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CRM TRIGGERS EFFECTIVENESS THROUGH CUSTOMER SELECTION ORIENTATION, BUSINESS CYCLE ORIENTATION, CROSS-FUNCTIONAL INTEGRATION AND DUAL VALUE CREATION: MYTH OR REALITY

Atiya Naaz Bukhari25 Dr. Roshan Kazi26

ABSTRACT
CRM has been gaining popularity in all business sector organizations. It is playing key role in reshaping and regulating the traditional business practices across globe. CRM being customer-centric strategy attracts heavy investments to strengthen the customer relationships. However, not all organizations are able to reap benefits due to various reasons. One of the reasons is not having clear understanding of CRM, its effectiveness or implications. Many organizations incorrectly perceive CRM to be a standalone technological investment. Focusing only on CRM technology and its usage in enhancing customer relations has obvious limitations, as the umbrella of CRM concept is exceptionally wide in reach. It is considered to be driven by combination of resources like People, Process and Technology.

This research focuses on effectiveness of CRM beyond technology implementation from organizational standpoint in dealing with customers. Four dimensions are identified that result in CRM effectiveness at an enterprise-wide level i.e. Customer Selection Orientation, Business Cycle Orientation, Cross-Functional Integration, and Dual Value Creation. This study involves questionnaire survey of 35 IT Services Firms in Pune. Data collected is analyzed using Binomial test in SPSS. Results confirm these dimensions to be positively triggering CRM effectiveness in reality and further providing substantial base for better understanding of CRM concept. This research implies that closely following the CRM effectiveness approach will potentially help organizations in monitoring their CRM activity, improving CRM effectiveness and would provide considerable room for curbing CRM failure possibilities.

KEYWORDS

INTRODUCTION
Organisations cater to clients across globe and in many cases get steady stream of profits coming from customers belonging to different continents. Irrespective of the organisation’s size, the organisations are strongly motivated to embrace CRM for effectively developing, managing and maintaining customer relationships (Payne and Frow, 2005). It is now playing an important role in strategic planning, decision making in organisations and hence can be considered as the key source of company’s business intelligence (Pezeshki, 2009).

CRM concept started getting popularised during 90’s decade and has now become an important part of how organisations manage their business. To surpass competition, CRM has been gaining momentum and becoming a widely acceptable strategy for attaining sustainable profits (Ştefan and Cardoş, 2010). Managing relationship between firms and its global clientele has been transformed hugely due to the advent of internet and new associated fast paced technologies.

LITERATURE REVIEW
CRM shares its origin with Relationship Management (Payne and Frow, 2005; Payne and Frow, 2006). Das (2009) attributes CRM to be a subset of Relationship Management. Porter (1993) defines Relationship Management as, “the process whereby both parties – the buyer and provider – establish an effective, efficient, enjoyable, enthusiastic and ethical relationship: one that is personally, professionally and profitably rewarding to both parties”. Relationship Management philosophy is collaborated with Customer Management and hence the focus of CRM primarily remains to be managing relations with customers.

Payne and Frow (2005) define CRM as, “a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them. This requires a

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cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications”.

Extant literature considers CRM to be a customer-centric and strategic process that is responsible for acquiring and retaining profitable customers (Tan et. al., 2002). Parvatiyar and Sheth (2001) define CRM as “a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value”.

Chen and Popovich (2003) define Customer Relationship Management as a combination of people, processes and technology that seeks to understand a company’s customers. Furthermore, they consider CRM to be an integrated approach for managing relationships by focusing on customer relationship development and customer retention.

Reinartz et. al. (2004) classifies the process of CRM into 3 stages i.e. CRM Initiation phase, CRM maintenance phase and CRM termination phase. Each phase is very important as it helps Firms in orienting its activities towards Customers.

Customers are the focal point for existence of any business. In recent years many organisations have concentrated on heavily investing in their IT assets for smooth handling of customer interactions at various stages of business interactions. New technological transformations also compliment CRM concept as technology is one of the components enabling CRM. However, organisations soon realised that better CRM does not necessarily confer to standalone IT investment and there is more to CRM umbrella (Coltman et. al. 2011). Investment in CRM technology all alone cannot keep up competitive advantage (Bolton and Tarasi, 2006). Many CRM projects have failed as organisations misunderstood CRM to be just CRM software implementation. The efforts were haywire and didn’t benefit the organisations implementing CRM.

Today, organisations hugely spend on CRM practice to strengthen their relationship with prospective and existing clients. However, they are still unaware of the exact return CRM implementation brings to them. Kale (2004) listed 7 reasons for CRM’s unsatisfactory outcome i.e. (1) viewing CRM initiative as a technology initiative; (2) lack of customer-centric vision; (3) insufficient appreciation of customer lifetime value; (4) inadequate support from top management; (5) under-estimating the importance of change management; (6) failing to re-engineer business processes; and (7) underestimating the difficulties involved in data mining and data integration.

Increasingly organisations are now questioning the rationality of making huge investment in CRM. Hence, it becomes vital to understand if the money spent on CRM practice is worth investment. This research is oriented towards revealing those underlying areas where CRM effectiveness is observed and yet haven’t been given much heed. For most organisations, using CRM software is the beginning and the end of CRM practice. Therefore, it needs a clarification that though CRM is perceived on strategic level but in practicality its implementation has multi-faceted effectiveness which has not been clearly indicated in past studies. This gap is being addressed through this research study. It will further show the areas where CRM effect will be triggered once it is implemented post its strategic level conceptualisation.

**DIMENSIONS OF CRM EFFECTIVENESS**

Counterfeiting competition, maintaining continuous growth and profitability has been the cause of concern for all organizations (Bolton and Tarasi, 2006). Customer parameters like customer satisfaction, customer retention, customer loyalty etc. have been widely studied in past and CRM is found to be significantly affecting these parameters (Agus and Hassan, 2012; Pezeshki, 2009; Long et. al., 2013; Ogbadu and Usman, 2012). CRM has been increasingly researched by academicians and implemented by practitioners to improve these customer parameters. However, major gap remains, as literature has been silent on addressing the areas of CRM implementation effectiveness. It has been widely acknowledged that CRM presents opportunities and advantages for both participating parties i.e. Firm and Customers. However, it remains obscure to understand exactly how both parties draw benefits in a Business cycle. The research question in this study is to understand whether CRM implementation brings effectiveness through Customer Selection Orientation, Business Cycle Orientation, Cross-Functional Integration, and Dual Value Creation.

This papers attempts to address the wide gap to better understand how CRM creates effectiveness for buyer-seller business relationship with the help of four dimensions:

- Customer Selection Orientation
- Business Cycle Orientation
- Cross-Functional Integration
- Dual Value Creation
Buyer and Seller interaction can exist with or without CRM focus. The presence of CRM implementation focus is being considered for this study to identify its effectiveness.

Customer Selection Orientation

“Customer Elimination is a process of Customer Selection”. CRM is a customer-centric business strategy and it focuses on improving responsiveness to the changes in customer demands. Customer Relationship Management has been gaining importance since past decade owing to the challenging trade environment the organisations face across the globe today. Serving every customer may not be a profitable deal. Therefore, organisations will have to consider a set of customers that looks promising from business standpoint.

Organization’s customer base is a combination of different quantity and sizes of customers. It could either be small size customers, medium size customers, large size customers or a combination thereof. Some businesses may have high percentage of large size customers whereas some may have only mid-size or small size customers. The amount of business generated from each of them may differ. There is no compulsion that large size customer will give more business and small/medium size customer will give rather less business or vice-versa. Hence, it becomes necessary for the organizations to identify those customers who are more valuable to them irrespective of their firm size and try to retain them for more profitability (Yim et. al., 2004). If the company is able to up-sell & cross-sell to these valuable customers, retain them and turn them into a loyal customer base; then company’s profitability will increase in folds creating a win-win situation (Chen and Popovich, 2003).

CRM brings attention to the notion that customer “elimination” is a process of customer “selection”. While we await that CRM will begin at or after a certain point in sales cycle, rather it begins right when the organisation plans strategically and considers approaching customers for business. It re-iterates the fact that winning every customer is not the key to success. Instead winning those set of valuable customers who can result in profit generation will surely be the key to organisation’s success. CRM involves thorough evaluation of customers to ensure that the deal is signed with right customers and high quality services are offered to them (Bolton and Tarasi, 2006). From future profitability perspective, organisations put genuine effort in turning the low value customers to high value customers (Reinartz et. al., 2004; Yim et. al., 2004). Investing efforts on existing customers to gain more business falls cheaper on organisation’s pocket than running after new acquisitions. Organisations discontinue working with those who does not seem much profitable and become challenging to the firm due to unrealistic expectations (Reinartz et. al., 2004).

Organizations use different means to create strong bonds with prospect and existing customers. CRM initiative primarily focuses on creating strong bonds with high value customers. The secondary objective remains to convert the less valuable customers to more valuable customer base and increase their loyalty towards them. This results in (1) more business from valued customers (2) additional business from valued customer’s referrals, and (3) More Acquisition of new customers or winning more deals by using information about valued customers in sales & marketing campaigns. Organization often use customized marketing programmes, also utilize their existing valued customer’s information for branding purposes and attracting prospects. The selection and management of valued customers remains to be the core of CRM initiative. It is also noteworthy that, while acquiring prospects organization tries to maintain good relations from day one by offering prompt reply to the requested information, customized marketing and offering personalized services (Yim et. al., 2004). Post-acquisition, it tries to increase their satisfaction level for opening the doors to get more business from them in future and fostering long-term relationships.

CRM has evolved from Relationship Management and has been widely accepted in the modern market to face the growing competition. It has revolutionized the process of sales and marketing in both products or services industry. It has brought back focus on customer segmentation and selective customer identification. It is a process of elimination of customers to identify the selective customer base that is profitable for the organization. Organizations are always subjected to fierce competition and constantly concerned about profitability growth. Profitability growth strengthens the survival of the firms. CRM reflects a business strategy to select and manage profitable customers to optimize long-term value to the organization (Tan et. al., 2002). Hence, we can propose the below hypothesis.

H1: CRM impacts selection of valuable customers by processing elimination of non-valuable customers.

Business Cycle Orientation

CRM is a combination of strategic, operational and analytical processes that affect the entire organization rather than a single department or a few departments. Most articles published while talking about CRM consider only the Sales & Marketing department and fail to acknowledge its impact on other departments.

Reinartz et. al. (2004) describe three stages to be existing between an organization and customer i.e. acquisition, retention and termination phase. Sales and Marketing only fits the first phase i.e. acquisition phase. “Retention” and “Termination” phases are beyond “Acquisition” phase, which confirms involvement of other departments of the organization. The Product Development or
Service Development departments also play key role in delivering the product or service to meet customer expectations. “One size does not fit all” can be equated well with CRM concept as different customers have different expectations and needs different strategies to sustain them. Hence, CRM implementation ensures delivery of customized products or services to meet customer expectations (Vasiliu, 2012). Optimum delivery of product or service is actually the “value delivery” to customers against the cost they pay. A satisfied customer is a source of customer retention and loyalty (Pezeshki, 2009). Such satisfied customers are source of increased profits and this is a source of value derivation for the organization (Egol et. al., 2004). It is in organization’s favour to terminate relationship with those who are not profitable (Reinartz, et. al. 2004). Hence, we can propose the below hypothesis.

H2: CRM affects all stages of business cycle i.e. acquisition, retention and termination phase in a firm-customer interaction.

Cross-Functional Integration

One of the reasons for CRM initiative failure is that organizations do not understand the fact that CRM needs an integrated organization wide and inter-functional customer-centric approach (Chen and Popovich, 2003). CRM is considered as an activity mainly associated with Sales and Marketing department with less involvement from rest of the departments. CRM is an organization-wide activity however incorrectly the focus always relies only on Sales and Marketing department to drive the activity. “Sales and Marketing” department marks relationship initiation. Usage of CRM Software is very helpful at every stage for managing customer data and accordingly designing the next course of action. Post-acquisition, the product or service delivery department is equally responsible for strengthening the relationship, which provides foundation for customer retention (Puratiyar and Sheath, 2001). Hence, Process, People and Technology equally contribute in strengthening the relationships (Chen and Popovich, 2003). Legal department helps in contractual formalities for maintaining or terminating relationships, Administration department helps in arranging client visits, gift articles etc., Finance department helps in payment processing, Human Resource department helps in arranging resources and Customer Care department helps in handling customer grievances/complaints etc. All have some role to play in dealing with customers and thus leave an impact on the firm-customer association.

Iriana and Buttle (2007) advocate three levels of CRM categorization i.e. Strategic CRM, Operational CRM and Analytical CRM, which also confirms cross-functional organization wide involvement. Strategic CRM focuses on strategy development and value creation. Operational CRM encompasses the administration of virtual and physical transactional communication channels between organization and customers. Analytical CRM incorporates development, management and utilization of customer data.

Three stage of CRM i.e. initiation, maintenance, termination also strongly takes into consideration the involvement of all functional departments of an organization to ensure development and delivery of product/service offerings (Reinartz et. al., 2004). Multiple departments are involved in initiating, maintaining or terminating the buyer-seller relationships. Hence, we can propose the below hypothesis.

H3: CRM involves cross-functional integration for creating long-term relationships in firm-customer interaction.

Dual Value Creation

Egol et. al. (2004) defines Customer-centric organization as, “those who not only understand what customer’s value but also the value customer represents to them in sense of profitability”. CRM represents “give and take” relationship between a buyer and a seller. Question remains who gets benefitted more and how are they benefitted. Being benefitted from CRM is not a one-way process, rather it is a two way process. It is process in which value is delivered to customers in form superior products or services by the Firm and in-turn Firm derives value in form of profitability from customers (Day and Bulte, 2002; Parvatiyar and Sheth, 2001). Hence, both firm and customer are equally benefitted in the interaction.

CRM is a systematic dual value creation process that affects both organization and the customer base. Firstly, it affects customers by delivering more value to them. Secondly, it derives value from profitable customers. Hence, organizations prefer implementing CRM not only to strengthen their customer base but also to gain profit. Value delivery is reflected through satisfied & loyal customers who are keen to maintain long lasting relationships and play role in spreading positive word of mouth & referring new customers (Kavitha and Palanivelu, 2012). It is at the discretion of the Firm in business to decide their customer base by using process of “elimination and selection”. Implementing CRM brings in the orientation to decide the customer base a Firm wants to work with and retain.

Value can be delivered to Customers in three ways 1) Delivering optimum value at same cost 2) Delivering more value at same cost or 3) Delivering optimum/more value at less cost. Firms derive value in two ways 1) Increased business from customers 2) More referrals from customers, both attributing to more profits.

Organizations not only align their operational strategy in-line with a meticulously characterized customer base segmentation strategy but also tailor their business streams such as product development, demand generation, production, scheduling, customer
care etc. to deliver the greatest value at the least cost to the best valuable customers (Egol et. al. 2004). Customized treatment to selective customers forms basis for dual value creation for both customer and organization thus sourcing real time maximization of profits (Parvatiyar and Sheth, 2001; Bohling et. al., 2006). Based on this we can propose the following hypothesis.

H4: CRM involves dual value creation (value delivery to customer and value derivation from customer) in a firm-customer interaction.

**ANALYSIS AND INTERPRETATION**

**Instrument Design and Reliability Check**

For conducting this descriptive study, a questionnaire is designed. It was pre-tested by academicians and industry experts. Minor changes were incorporated post receiving their feedback. All scale items were measured using a 5-point Likert scale ranging from “Strongly Disagree (1)” to “Strongly Agree (5)”.

Instrument Reliability was assessed using “Test-Retest” method. Test-Retest is a simple and straightforward method to judge reliability. In this method, the same respondents are administered on the scale on two different occasions. The two set of responses are later co-related to study reliability.

Table 1: Reliability Measurement - Results of “Test-Retest” Method

<table>
<thead>
<tr>
<th>Pair</th>
<th>Spearman’s Rho (ρ)</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Selection Orientation (Test) ↔ Customer Selection Orientation (Retest)</td>
<td>0.989</td>
<td>Reliability Supported</td>
</tr>
<tr>
<td>Business Cycle Orientation (Test) ↔ Business Cycle Orientation (Retest)</td>
<td>0.994</td>
<td>Reliability Supported</td>
</tr>
<tr>
<td>Cross-Functional Integration (Test) ↔ Cross-Functional Integration (Retest)</td>
<td>0.975</td>
<td>Reliability Supported</td>
</tr>
<tr>
<td>Dual Value Creation (Test) ↔ Dual Value Creation (Retest)</td>
<td>0.981</td>
<td>Reliability Supported</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 1 shows results of “Test-Retest” Method. Rho (ρ) value greater than 0.9 indicates “Excellent” reliability.

**Sampling and Data Collection**

Questionnaire survey is used for testing the hypotheses. IT Services companies located in Pune were selected from NASSCOM’s list for conducting this study. A sample of 67 (estimated sample size) was drawn from total 81 companies using simple random sampling - without replacement. CXO’s & Managerial level respondents were requested to participate in the questionnaire survey and it produced total 35 responses (response rate of 43.20%).

**Validating Hypotheses, Statistical analysis and Results**

Following are the Null and Alternative hypotheses to be validated.

**H1**: $P \leq 0.75$ (proportion of responses indicating, “CRM impacts selection of valuable customers by processing elimination of non-valuable customers” is less than or equal to 75%)

**H1A**: $P > 0.75$ (proportion of responses indicating, “CRM impacts selection of valuable customers by processing elimination of non-valuable customers” is more than 75%)

**H2**: $P \leq 0.75$ (proportion of responses indicating, “CRM impacts all stages of business cycle i.e. acquisition, retention and termination phase in a firm-customer interaction” is less than or equal to 75%)

**H2A**: $P > 0.75$ (proportion of responses indicating, “CRM impacts all stages of business cycle i.e. acquisition, retention and termination phase in a firm-customer interaction” is more than 75%)

**H3**: $P \leq 0.75$ (proportion of responses indicating, “CRM involves cross-functional integration for creating long-term relationships in firm-customer interaction” is less than or equal to 75%)
**H3a:** P > 0.75 (proportion of responses indicating, “CRM involves cross-functional integration for creating long-term relationships in firm-customer interaction” is more than 75%)

**H4a:** P <= 0.75 (proportion of responses indicating, “CRM involves dual value creation (value delivery to customer and value derivation from customer) in a firm-customer interaction” is less than or equal to 75%)

**H4c:** P > 0.75 (proportion of responses indicating, “CRM involves dual value creation (value delivery to customer and value derivation from customer) in a firm-customer interaction” is more than 75%)

Binomial test is used to test the hypotheses. Respondents were asked to comment on the questionnaire statements using a five point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree Nor Disagree, 4 = Agree, 5 = Strongly Agree). The original 5-point scale was converted to 2-point scale using “cut point” option as “3” in IBM SPSS 21. Hence, the newly created categories were “Less than or equal to 3 (i.e. <=3)” indicating disagreement and “greater than 3 (i.e. >3)” indicating agreement. Test proportion was taken as 0.75. Therefore, more than 75% of favourable responses to a particular category would suggest greater approval for that category. Level of significance (α) is equal to 0.05.

**Level of Significance:** α = 0.05

### Table-2: Results of Binomial Test

<table>
<thead>
<tr>
<th>Category</th>
<th>N</th>
<th>Observed Proportion</th>
<th>Test Proportion</th>
<th>Exact Sig. (1-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>5</td>
<td>0.14</td>
<td>0.75</td>
<td>.000*</td>
</tr>
<tr>
<td>Group 2</td>
<td>30</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 1</td>
<td>3</td>
<td>0.09</td>
<td>0.75</td>
<td>.000*</td>
</tr>
<tr>
<td>Group 2</td>
<td>32</td>
<td>0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 1</td>
<td>6</td>
<td>0.17</td>
<td>0.75</td>
<td>.000*</td>
</tr>
<tr>
<td>Group 2</td>
<td>29</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 1</td>
<td>7</td>
<td>0.20</td>
<td>0.75</td>
<td>.000*</td>
</tr>
<tr>
<td>Group 2</td>
<td>28</td>
<td>0.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**Note:** a. Alternative hypothesis states that the proportion of cases in the first group < .75.

The results indicated in Table 2 shows that more than 75% of the respondents agree that they focus on serving valuable customers by eliminating non-valuable customers (Observed proportion: 0.86, Test proportion: 0.75, p = 0.000). As the observed proportion is more than 75% and the p value is less than 0.05, the hypothesis H1a “CRM impacts selection of valuable customers by processing elimination of non-valuable customers” is proved valid.

More than 75% of the respondents agree that they have been focusing on all stages of business cycle i.e. acquisition, retention and termination to create strong relations with customers (Observed proportion: 0.91, Test proportion: 0.75, p = 0.000). As, the observed proportion is more than 75% and the p value is less than 0.05, the hypothesis H2a “CRM impacts all stages of business cycle i.e. acquisition, retention and termination phase in a firm-customer interaction” is proved valid.

More than 75% of the respondents agree that all functional departments contribute to improve and create long-term relationships with customers (Observed proportion: 0.83, Test proportion: 0.75, p = 0.000). As the observed proportion is more than 75% and the p value is less than 0.05, the hypothesis H3a “CRM involves cross-functional integration for creating long-term relationships in firm-customer interaction” is proved valid.
More than 75% of the respondents agree that they deliver superior value to customers and focus on deriving value from customers in form of profits (Observed proportion: 0.80, Test proportion: 0.75, p = 0.000). As the observed proportion is more than 75% and the p value is less than 0.05, the hypothesis H4, “CRM involves dual value creation (value delivery to customer and value derivation from customer) in a firm-customer interaction” is proved valid.

For all statements, the observed proportion is more than 75% and the p value is less than 0.05. Hence, all alternate hypotheses are proved valid.

**DISCUSSION AND CONCLUSION**

CRM and its effectiveness assume relevance irrespective of the industry type due to its crucial role in gaining competitive advantage (Shang and Lu, 2012). Impact of CRM is widespread and it primarily goes in benefiting two entities i.e. Firm and the Customers. Previous studies have focused on studying CRM’s impact on strengthening customer parameters like satisfaction, retention, and loyalty etc. This study brings the focus towards the missing link, which confirms areas where CRM effectiveness is reflected prior to passing on the effects to the customer parameters.

Results reveal that CRM drives selection of valuable customers by processing elimination of non-valuable customers. Hence, elimination of non-valuable customers is a step towards selection of right customers. Results also disclose that throughout all business cycle stages, all departments are involved and contribute in delivering valued products/services to customers. Further, results show that organizations focus on dual value creation aspect such that the objectives of both the parties (Firm and Customer) are met who are involved in the transaction. Delivering value to Customers eventually lays basis for driving stunning profits for the Firm. Therefore, it is concluded that “CRM triggers effectiveness through Customer Selection Orientation, Business Cycle Orientation, Cross-Functional Integration and Dual Value Creation” is a Reality. Thus, understanding CRM effectiveness is a first and necessary step towards building CRM strategies prior to its implementation, for improved performance and avoiding CRM failures. CRM practice might fail to produce desired results if there is lack of understanding towards these four dimensions of CRM effectiveness by the organizations practicing CRM. Lack of orientation towards any of these dimensions can be attributed as reason for failure of CRM.

This research will create awareness among practitioners and managers about the immediate effects of CRM before they aim at achieving the long-term goals of customer satisfaction, retention and loyalty etc. It will make them think beyond CRM as just the Software only solution. Focusing on CRM and its effectiveness through the Customer Selection Orientation, Business Cycle Orientation, Cross-Functional Integration and Dual Value Creation will be beneficial in bringing attention towards building efficient CRM strategies and realign focus on areas, which needs fixation to avoid CRM implementation failures.

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ROLE OF PHYSICIAN’S PROFESSIONAL CHARACTERISTICS IN PHARMACEUTICAL PROMOTIONS

Keyur Darji27 Dr. Pankajray Patel28

ABSTRACT

In any of the consumer behavior research, the decision maker and decision process are always score high importance. Generally, the promotional effort of any company targets on the decision maker in the buying decision process. In context of pharmaceutical industry, physicians play an important role in buying decision process as an intermediary and decision maker. As a professional, physicians possesses different kind of professional characteristics and theories of consumer behaviors says that the individual determinants of consumers like their demographic characteristics effect on how they make choice to buy and use goods and services. The pharmaceutical companies have a specific set of promotional techniques to be applied for getting the prescription of their product. Generally, the pharmaceutical companies apply the same set of promotional techniques to their entire targeted customer i.e. physicians. Therefore, it is important for the pharmaceutical companies to know that whether the professional characteristics have any role in the promotions.

This research paper tries to study the role of physician’s professional characteristics like work experience, specialty and practicing environment in the pharmaceutical promotions. Through the survey method, physicians possessing various professional characteristics have been approached for their opinion regarding the factors of promotional techniques. The hypothesis has been developed to judge the relationship of each of the professional characteristic with each factor of pharmaceutical promotional techniques. The hypothesis are tested with the help of ANOVA test and the results revealed that there is a relationship between physician’s professional characteristics and the factor of pharmaceutical promotional techniques.

KEYWORDS

Physicians, Physician’s Professional Characteristics, Pharmaceutical Promotional Techniques, Factors of Pharmaceutical Promotion etc.

INTRODUCTION

Since the civilization era; food, shelter and health are the preliminary requirements of human. It is also scientifically proved that the Stone Age man took the drug and he was knowledgeable about the various herbs and medicines along with the processes of medication between 6000 BCE and 2000 BCE (Wynne-Jones, 2008). India being one of the oldest civilizations on the earth has a great medical knowledge and practices before thousands of the year. Therefore, the society is having an age-old relationship with medication and medicines. Day to day, the need of medicines have increased and that has attracted the more and more pharmaceutical companies to enter in the market place.

The per capita healthcare expenditure data of World Bank revels that from 1995 to 2013, the total healthcare expenditure of 251 countries of the world has grown by 156.56 % while the same for India has grown by 281.7% (The World Bank, 2014). This increasing healthcare expenditure caused drastic increase in number of pharmaceutical companies and prescription drug expenditure.

The Indian pharmaceutical industry has shown impressive growth over the last few years and has become one of the sunrise sectors of the Indian economy. The introduction of the product patent regime in India necessitated pharmaceutical companies both in India and abroad to reconsider their business models and explore newer markets. The Indian Pharmaceutical Industry today is in the front rank of India’s science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. It ranks very high in the third world, in terms of technology, quality and range of medicines manufactured. From simple headache pills to sophisticated antibiotics and complex cardiac compounds, almost every type of medicine is now made indigenously (IMS Health, 2015). The pharmaceutical industry in India is highly fragmented with more 20000 registered units. About 300 firms constitute the organized sector. The organized sectors contribute to about 70% of the total output of the pharmaceutical industry. Over the last 30 years, the industry has made remarkable gait and today it accounts for the production of over 400 bulk drugs and about 60000 formulations.

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India’s pharmaceuticals industry looks set for a solid long-term growth. It already ranks fourteenth in the global league table, with sales of almost US$19 billion in March 2009 and it is estimated that it will rise to approximately US$50 billion by 2020 – a 163% in the space of eleven years (Price Waterhouse Coopers (PWC), 2010).

The increased growth of pharmaceutical industry has also increased intensive competition in the market by nearly 24000 companies out of which about 350 are in organized sector. Pharmaceutical industry is having a unique feature i.e. the person who consumes the final product generally do not take the decision of purchase. Instead of the end user, physicians, as an intermediary, take a decision of product purchase.

As per (Campo, Staebel, Gijsbrechts, & Waterschoot, 2005), the decisional role of the physicians plays an important role in the success or failure of any pharmaceutical company and his decision process consist the influence of several factors. Therefore, it is always a great concern for the pharmaceutical companies to work out the optimization in terms of the right set of promotional techniques to the right set of physicians.

The researchers worked on consumer behavior always put an emphasis on knowing the profiles or personal and professional characteristics of the customers. The right profiling gives the marketer a structured look at customer’s goals in using the product, the features and content that matters most to them, and the messaging that will help them select the company’s production buying decision process (Gregory, 2013). In case of pharmaceutical industry, normally the companies involved in selling of the products deals with the physicians as their customers who are having varied profiles in terms of practicing experience, specialty, practicing environment etc. Generally, in theories of consumer behavior, for studying the buying behavior of normal consumers, their demographic characteristics taken into consideration, while in case of pharmaceutical we may consider the professional characteristics of physicians in place of demographic characteristics for studying their buying behavior. Earlier researches done in the said area suggests that the differences in professional characteristics of the physicians have some relations in their choice of preferring specific techniques of pharmaceutical promotions.

Therefore, the present study tries to identify the relation of physicians’ professional characteristics with the set of pharmaceutical promotional techniques (Factors) in context of north Gujarat region.

**LITERATURE STUDY**

In any of the consumer behavior research, the decision maker and decision process are always score high importance. Generally, the promotional efforts of any company targeted on the decision maker in the buying decision process. In context of the pharmaceutical industry, (Caves R.E, 1991) found that in the initial stage of PLC of drug, the decision to adopt or buy the drug, is not taken by the final consumers/buyers (patient) but as an intermediary, the physicians play the role to buy the drugs for their patients. (Abratt R, 2000) found that the role of physicians is considered crucial for drug purchase decisions. The physicians perform the roles of users (sometimes), influencers, gatekeepers and deciders, while patients perform the role of buyers and users. (Liu, 1995) mentioned that although the patient is generally the ultimate end user, regardless of prescription or OTC drugs, physicians have a rather unique and multiple role in purchasing process of pharmaceutical products. They may act as a decider who makes buying decisions for their patients when prescribing the drugs or may play a role of influencer and/or gatekeeper in case of OTC drugs.

As far as influencing the physician’s prescribing practices are concerned, (Abratt R, 2000) identified that marketing factors like sales representatives, advertising, price of the drug, trade fairs and symposia which influence the prescription behavior of the physicians. (P McGettigan, 2001) studied Drugs and Therapeutics Bulletin, Medical journal articles, Monthly Index of Medical Specialties (MIMS), British National Formulary (BNF), Non-sponsored clinical meetings, Sponsored meetings, Direct mail as well as Pharmaceutical Sales Representatives (PSR) for their study and found that the medium, i.e. the way of delivery of message through such sources of information is more important than the message content for taking the prescription decision for the physicians. (Robert Gibbons, 1998) have considered Trip, Lunch/Dinner, Drug Sample, Academic books/video and stationery items like Pen and Mug as some promotional techniques in their study and found that the trainee physicians consider it more appropriate to accept gifts as compared to staff physicians. The most influential gift is drug samples followed by trips, video, and lunch/dinner. (Uchenna Ijoma, 2010) Studied that Stickers, Drug Presentation/Lunch, Souvenirs, Drug samples and Leaflets are commonly used promotional strategies to influence doctor’s prescriptions and over 60% of doctors admit to be influenced by these techniques.

From the various literatures, it was observed that pharmaceutical companies apply numerous techniques to influence the physician’s prescribing behavior. So, considering the variety of the promotional techniques used by pharmaceutical companies contributing in the physician’s prescription practice, (Darji & Patel, 2015) identified four factors of the pharmaceutical promotional techniques namely, sponsored academic material, gifts and tangibles, sponsored academic events and pharmaceutical sales representatives. These four Factors represent thirteen various pharmaceutical promotional techniques like Company sponsored CMEs, Conferences, Seminars as well as GP meets, medical instruments, drug samples, brand sponsored gifts, books,
H2: There is no significant relation between practicing environment of physicians and Factors of pharmaceutical promotional techniques

For the stated hypothesis H2, following sub-hypotheses were proposed for the test in order to check the result for each individual Factor of pharmaceutical promotional techniques.

H2a: There is no relation between practicing environment of physicians and sponsored academic material.
H2b: There is no relation between practicing environment of physicians and Gifts and Tangibles.
H2c: There is no relation between practicing environment of physicians and sponsored academic events.

Arch Methodology

Both primary and secondary data sources have been used for preparing the research ground as well as attaining the study objectives. The primary data are collected from the defined sample of the experts within the field - i.e. physicians. The secondary data were sourced from various research journals, articles, reports, websites, books etc. The survey was conducted in the North Gujarat region. The data was collected from a sample consisting 150 physicians, and looking at the profile of the respondents, researcher have selected this sample element through Non Probability – convenient sampling. A structured questionnaire was developed as an instrument to collect the primary data on the five point Likert scale – Strongly Agree to Strongly Disagree. The hypothesis has been developed for identifying the relation between physician’s professional characteristics and the Factors of pharmaceutical promotional techniques. Based on the literature study, researchers have considered three professional characteristics like Practicing Experience, Practicing Environment (Clinical Setup) and Specialty of the physicians for the current research. The hypothesis has been statistically analyzed through ANOVA test, which was administered through the SPSS statistics version 16.

Hypothesis to be Tested

H1: There is no significant relation between practicing experience of physicians and Factors of pharmaceutical promotional techniques.
For the stated hypothesis H1, following sub-hypotheses were proposed for the test in order to check the result for each individual Factor of pharmaceutical promotional techniques.

H1a: There is no relation between practicing experience of physicians and sponsored academic material.
H1b: There is no relation between practicing experience of physicians and Gifts and Tangibles.
H1c: There is no relation between practicing experience of physicians and sponsored academic events.
H1d: There is no relation between practicing experience of physicians and Pharmaceutical Sales Representatives (PSRs).

H2: There is no significant relation between practicing environment of physicians and Factors of pharmaceutical promotional techniques

For the stated hypothesis H2, following sub-hypotheses were proposed for the test in order to check the result for each individual Factor of pharmaceutical promotional techniques.

H2a: There is no relation between practicing environment of physicians and sponsored academic material.
H2b: There is no relation between practicing environment of physicians and Gifts and Tangibles.
H2c: There is no relation between practicing environment of physicians and sponsored academic events.
H2d: There is no relation between practicing environment of physicians and Pharmaceutical Sales Representatives (PSRs).

H3: There is no significant relation between specialty of physicians and Factors of pharmaceutical promotional techniques.

For the stated hypothesis H3, following sub-hypotheses were proposed for the test in order to check the result for each individual Factor of pharmaceutical promotional techniques.

H3a: There is no relation between specialty of physicians and sponsored academic material.
H3b: There is no relation between specialty of physicians and Gifts and Tangibles.
H3c: There is no relation between specialty of physicians and sponsored academic events.
H3d: There is no relation between specialty of physicians and Pharmaceutical Sales Representatives (PSRs).

RESULT

Profiling of Respondents

As mentioned in research methodology, practicing physicians were approached for the survey through personal contact using convenient sampling method under non-probability sampling procedure. In order to generate the required response rate of 150 physicians, 230 physicians working in various hospitals were contacted. It resulted in 65% response rate and the reasons for this is mainly respondents have denied to participate in survey due to lack of interest, rigidity to response to unknown (i.e. researcher), highly occupied work schedule, pre-scheduled appointments etc.

As shown in table 1, all 150 doctors were classified according to their practicing experience, specialty and practicing environment.

<table>
<thead>
<tr>
<th>Profiling Characteristics</th>
<th>Measuring Variables</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practicing Experience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5 Year</td>
<td>32</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>6-10 Year</td>
<td>24</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>11-15 Year</td>
<td>35</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>16-20 Year</td>
<td>23</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>21-25 Year</td>
<td>30</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>26 And Above</td>
<td>8</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Specialty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Physician</td>
<td>38</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Ophthalmologist</td>
<td>11</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Pediatric</td>
<td>15</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Gynecologist</td>
<td>17</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Cardiologist</td>
<td>6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Neurologist</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>General Surgeon</td>
<td>15</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>General Practitioner</td>
<td>21</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Orthopedic</td>
<td>8</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Practicing Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Clinic</td>
<td>83</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Government Hospital</td>
<td>38</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Trust Hospital</td>
<td>21</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Multi Specialist Hospital</td>
<td>8</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The profiling suggests that almost 60% doctors have practicing experience up to 15 years; more than 50% are practicing in private clinic. Researcher receives the responses from physicians from almost 9 specialties.
ANALYSIS

Accordingly (Malhotra, 2007), the One-way Analysis of Variance (ANOVA) is a procedure for testing the hypothesis that K population means are equal, where K > 2. The One-way ANOVA compares the means of the samples or groups in order to make inferences about the population means. The One-way ANOVA is also called a single factor analysis of variance because there is only one independent variable or factor.

As mentioned in the methodology, three hypotheses along with their sub-hypothesis are to be tested.

**H1:** There is no significant relation between practicing experience of physicians and Factors of pharmaceutical promotional techniques.

For the stated hypothesis H1, following sub-hypotheses were proposed for the test in order to check the result for each individual Factor of pharmaceutical promotional techniques.

H1a: There is no relation between practicing experience of physicians and sponsored academic material.
H1b: There is no relation between practicing experience of physicians and Gifts and Tangibles.
H1c: There is no relation between practicing experience of physicians and sponsored academic events.
H1d: There is no relation between practicing experience of physicians and Pharmaceutical Sales Representatives (PSRs).

Following table shows that result of one-way ANOVA for H1 and its sub-hypothesis (H1a to H1d).

<p>| Table-2: ANOVA for Relation between Practicing Experience of Physicians and Factors of Pharmaceutical Promotional Techniques |</p>
<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>d.f.</th>
<th>Mean Square</th>
<th>F</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored Academic Material</td>
<td>Between Groups</td>
<td>10.164</td>
<td>5</td>
<td>2.033</td>
</tr>
<tr>
<td>Within Groups</td>
<td>61.546</td>
<td>94</td>
<td>0.655</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>71.710</td>
<td>99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts and Tangibles</td>
<td>Between Groups</td>
<td>10.161</td>
<td>5</td>
<td>2.032</td>
</tr>
<tr>
<td>Within Groups</td>
<td>109.199</td>
<td>94</td>
<td>1.162</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>119.360</td>
<td>99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsored Academic Events</td>
<td>Between Groups</td>
<td>4.006</td>
<td>5</td>
<td>.801</td>
</tr>
<tr>
<td>Within Groups</td>
<td>56.984</td>
<td>94</td>
<td>.606</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>60.990</td>
<td>99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSR Characteristics</td>
<td>Between Groups</td>
<td>8.281</td>
<td>5</td>
<td>1.656</td>
</tr>
<tr>
<td>Within Groups</td>
<td>78.469</td>
<td>94</td>
<td>.835</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>86.750</td>
<td>99</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

For the hypothesis H1a, the F value of 3.105 with a p value of 0.012 indicated mean differences among the practicing experience of physicians (p < 0.05). This shows that there is a relation between practicing experience of physicians and sponsored academic material.

With regards to hypothesis H1b, the F value of 1.749 with p value of 0.131 indicated no mean differences among the practicing experience of physicians (p > 0.05). This shows that there is no relation between practicing experience of physicians and Gifts and Tangibles.

For the hypothesis H1c, the F value of 1.322 with p value of 0.262 indicated no mean differences among the practicing experience of physicians (p > 0.05). There is no relationship between practicing experience of physicians and sponsored academic events.

For the hypothesis H1d, the F value of 1.984 with p value of 0.088 indicated no mean difference among the practicing experience of physicians (p > 0.05). There no relation between practicing experience of physicians and PSRs. However, at significance level of 10 percent (p <0.10), the hypothesis is significant and so, practicing experience of physicians and PSRs have the relationship.

**H2:** There is no significant relation between practicing environment of physicians and Factors of pharmaceutical promotional techniques

For the stated hypothesis H2, following sub-hypotheses were proposed for the test in order to check the result for each individual Factor of pharmaceutical promotional techniques.
H2a: There is no relation between practicing environment of physicians and sponsored academic material.
H2b: There is no relation between practicing environment of physicians and Gifts and Tangibles.
H2c: There is no relation between practicing environment of physicians and sponsored academic events.
H2d: There is no relation between practicing environment of physicians and Pharmaceutical Sales Representatives (PSRs).

Following table shows that result of one-way ANOVA for H2 and its sub hypothesis (H2a to H2d).

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>d.f.</th>
<th>Mean Square</th>
<th>F</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored Academic Material</td>
<td>Between Groups</td>
<td>6.868</td>
<td>4</td>
<td>1.717</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>64.842</td>
<td>95</td>
<td>.683</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>71.710</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td>Gifts and Tangibles</td>
<td>Between Groups</td>
<td>13.394</td>
<td>4</td>
<td>3.349</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>106.396</td>
<td>95</td>
<td>1.120</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>119.790</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td>Sponsored Academic Events</td>
<td>Between Groups</td>
<td>3.818</td>
<td>4</td>
<td>.955</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>70.182</td>
<td>95</td>
<td>.739</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>74.000</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td>PSR Characteristics</td>
<td>Between Groups</td>
<td>15.476</td>
<td>4</td>
<td>3.869</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>96.634</td>
<td>95</td>
<td>1.017</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>112.110</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

For the hypothesis H2a, the F value of 2.516 with p value of 0.046 indicated mean differences among the practicing environment of physicians (p < 0.05). This shows that there is relation between practicing environment of physicians and sponsored academic material.

About hypothesis H2b, the F value of 2.516 with p value of 0.023 indicated mean differences among the practicing environment of physicians (p < 0.05). This shows that there is a relation between practicing environment of physicians and Gifts and Tangibles. For the hypothesis H2c, the F value of 2.990 with p value of 0.279 indicated no mean differences among the practicing environment of physicians (p > 0.05). There is no relationship between practicing environment of physicians and sponsored academic events.'

For the hypothesis H2d, the F value of 3.804 with p value of 0.007 indicated mean difference among the practicing environment of physicians (p < 0.05). There a relation between practicing environment of physicians and PSRs.

H3: There is no significant relation between specialty of physicians and Factors of pharmaceutical promotional techniques

For the stated hypothesis H3, following sub-hypotheses were proposed for the test in order to check the result for each individual Factor of pharmaceutical promotional techniques.

H3a: There is no relation between specialty of physicians and sponsored academic material.
H3b: There is no relation between specialty of physicians and Gifts and Tangibles.
H3c: There is no relation between specialty of physicians and sponsored academic events.
H3d: There is no relation between specialty of physicians and Pharmaceutical Sales Representatives (PSRs).

Table-4: ANOVA for Relation between Specialty of Physicians and Factors of Pharmaceutical Promotional Techniques

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>d.f.</th>
<th>Mean Square</th>
<th>F</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored Academic Material</td>
<td>Between Groups</td>
<td>11.625</td>
<td>9</td>
<td>1.292</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>60.085</td>
<td>90</td>
<td>.668</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>71.710</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td>Gifts and Tangibles</td>
<td>Between Groups</td>
<td>13.902</td>
<td>9</td>
<td>1.545</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>72.608</td>
<td>90</td>
<td>.807</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>86.510</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td>Sponsored Academic Events</td>
<td>Between Groups</td>
<td>17.489</td>
<td>9</td>
<td>1.943</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>56.511</td>
<td>90</td>
<td>.628</td>
</tr>
</tbody>
</table>
Gifts and Tangibles may vary. However, at any stage of professional experience, the physician may like to have a particular product of pharmaceutical company. Thus, depends on the Practicing Environment and Specialty of physicians, the assortment of stationary items, medical instruments, hospital equipment and models.

Patel, 2015) pharmaceutical specialty of physicians have the relationship with gifts and tangibles. Gifts and Tangibles is an important technique of industry relationship. As far as the Factors of pharmaceutical promotional are concerned, the four factors i.e. sponsored academic material, gifts and tangibles, sponsored academic events and PSRs are representing the set of various pharmaceutical promotional techniques (Darji & Patel, 2015). From literature review and ANOVA, following relationships are identified between each of the promotional factor and the physician’s professional characteristics.

Sponsored Academic Material

Physician’s professional characteristics like practicing experience, practicing environment and specialty have the relationship with promotional factor like sponsored academic materials. The field of health care and medicines has been so advanced that every physician has to keep himself or herself updated with all latest developments in medicines and treatments. Now, the information and updates of medical field always vary depends on the specific branch of medicines (Specialty). The physicians who are young, may require more micro level information regarding drugs, their pharmacokinetics and the methods of treating specific diseases, while, the physicians who are experienced, may only seek the latest updates in the field, discovery of newer drugs and the latest technology for the treatments. Thus, depends on the Practicing Experience, the required information and so, the nature and variety of academic materials may vary. The need of academic information also may vary depends on the type of Practicing Environment. The physicians who are working in the government hospitals and having medical college associated with it, may have well-established facilities of library and research department as compared to the physician who is practicing in private clinic.

Gifts and Tangibles

Gifts and Tangibles do not have any relation with physician’s practicing experience. However, practicing environment and specialty of physicians have the relationship with gifts and tangibles. Gifts and Tangibles is an important technique of pharmaceutical promotions used by the pharmaceutical companies for influencing the prescription practice of physicians. (Darji & Patel, 2015) have reported this Factor based on various promotional items consisting the low to high value personal gifts, stationery items, medical instruments, hospital equipment and models. Therefore, a physician who is practicing in private clinic may have a preference of medical instrument or hospital equipment as compared to the physician who is practicing in government or trust hospital, which is having sufficient budget to purchase such items. Same way, a super specialist cardiac surgeon may not be influenced by small stationary items as a gift, which may influence a general practitioner positively for prescribing a particular product of pharmaceutical company. Thus, depends on the Practicing Environment and Specialty of physicians, the assortment of Gifts and Tangibles may vary. However, at any stage of professional experience, the physician may like to have such gifts and tangibles, and so, the Practicing Experience is irrespective in preference of specific kind of Gifts and Tangibles for prescribing a particular product of pharmaceutical company.

For the hypothesis H3a, the F value of 1.935 with p value of 0.057 indicated no mean differences among the specialty of physicians (p > 0.05). This shows that there is no relation between specialty of physicians and sponsored academic material. However, at significance level of 10 percent (p < 0.10), the hypothesis is significant and so, there is a relationship between specialty of physicians and sponsored academic material.

About hypothesis H3b, the F value of 1.915 with p value of 0.060 indicated no mean differences among the specialty of physicians (p >0.05). This shows that there is a relation between specialty of physicians and Gifts and Tangibles. However, at significance level of 10 percent (p < 0.10), the hypothesis is significant and so, there is a relationship between specialty of physicians and Gifts and Tangibles.

For the hypothesis H3c, the F value 3.095 of p value of 0.003 indicated mean differences among the specialty of physicians (p < 0.05). There is a relationship between specialty of physicians and sponsored academic events.

For the hypothesis H3d, the F value of 1.478 with p value of 0.168 indicated no mean difference among the specialty of physicians (p > 0.05). There no relation between specialty of physicians and PSRs.

CONCLUSION AND IMPLICATION

The conclusion can be elaborated in context of the physician- industry relationship. As far as the Factors of pharmaceutical promotional are concerned, the four factors i.e. sponsored academic material, gifts and tangibles, sponsored academic events and PSRs are representing the set of various pharmaceutical promotional techniques (Darji & Patel, 2015). From literature review and ANOVA, following relationships are identified between each of the promotional factor and the physician’s professional characteristics.

<table>
<thead>
<tr>
<th>Events</th>
<th>Between Groups</th>
<th>Within Groups</th>
<th>Total</th>
<th>F value</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSR Characteristics</td>
<td>8.759</td>
<td>9.281</td>
<td>68.040</td>
<td>1.478</td>
<td>0.168</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>99</td>
<td>99</td>
<td>0.060</td>
<td>0.168</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

---

**Table:**

<table>
<thead>
<tr>
<th>PSR Characteristics</th>
<th>Total</th>
<th>Between Groups</th>
<th>Within Groups</th>
<th>F value</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship</td>
<td>74.000</td>
<td>8.759</td>
<td>9.281</td>
<td>1.478</td>
<td>0.168</td>
</tr>
<tr>
<td>Total</td>
<td>68.040</td>
<td>90</td>
<td>99</td>
<td>0.060</td>
<td>0.168</td>
</tr>
</tbody>
</table>

**ANOVAs:**

For the hypothesis H3a, the F value of 1.935 with p value of 0.057 indicated no mean differences among the specialty of physicians (p > 0.05). This shows that there is no relation between specialty of physicians and sponsored academic material. However, at significance level of 10 percent (p < 0.10), the hypothesis is significant and so, there is a relationship between specialty of physicians and sponsored academic material.

For the hypothesis H3b, the F value of 1.915 with p value of 0.060 indicated no mean differences among the specialty of physicians (p >0.05). This shows that there is a relation between specialty of physicians and Gifts and Tangibles. However, at significance level of 10 percent (p < 0.10), the hypothesis is significant and so, there is a relationship between specialty of physicians and Gifts and Tangibles.

For the hypothesis H3c, the F value 3.095 of p value of 0.003 indicated mean differences among the specialty of physicians (p < 0.05). There is a relationship between specialty of physicians and sponsored academic events.

For the hypothesis H3d, the F value of 1.478 with p value of 0.168 indicated no mean difference among the specialty of physicians (p > 0.05). There no relation between specialty of physicians and PSRs.
Sponsored Academic Events

Physician’s practicing experience and practicing environment does not have the relationship with sponsored academic events. However, specialty of physicians has the relationship with sponsored academic events. Accordingly to (Darji & Patel, 2015) the Factor of sponsored academic events consists the CMEs, Conferences, Symposia and GP meets. These events provide the opportunities of academic discussion, knowledge upgradation, networking and sometimes leisure. Therefore, irrespective of the years of professional experience as well as practicing environment, physicians prefer to avail the offer of participating in such events by pharmaceutical company. However, the category of such events may vary as per the branch of medicines and so, depends on the specialty of physicians, their preference to avail the offer to participate in specific kind of Sponsored Academic event may vary.

Pharmaceutical Sales Representatives are not having any relationship with specialty of physicians. However, practicing environment as well as practicing experience of physicians has the relationship with PSRs. The fourth factor of pharmaceutical promotional techniques i.e. Pharmaceutical Sales Representative (PSR) s consist the PSR characteristics like Trustworthiness, Medico-marketing Knowledge, Visit Regularity and Professional Ethics (Darji & Patel, 2015). PSRs are inherent part of pharmaceutical promotion, as they represent the company, its products, activities and offers to the physicians through personal visits. So, irrespective of the Practicing Experience and Specialty, physicians prefer the PSRs who is trustworthy, having sound medico-marketing knowledge, who is regular in visits and carrying good professional ethics to prescribe the product of his/her company and vice versa. However, depends on the practicing environment, the level of above stated characteristics of PSRs may vary. For example, generally, the government hospitals or trust hospitals have a specific day decided for the visit of PSRs to the hospital. Many times, it happens that in such hospitals, many senior and junior doctors seat together for examiner big mass of patients. While, the scenario in private clinic may be totally differ. So, depends on the practicing environment, the behavior and relationship of physicians with the PSRs may vary.

IMPLICATION

Pharmaceutical companies use bunch of promotional techniques and generally approach the customers having different profiles and professional characteristics. As discussed in the introduction part and literature study, the demographic characteristics (in the case of pharmaceutical customer i.e. doctors, professional characteristics) of the customers affect their buying decision process. Marketing and Promotional expenditure is the highest contributing head in the total expenses of the pharmaceutical industry. Therefore, it is always a matter of interest and need of the companies to develop the promotional strategies, which are appropriate and optimum. Pharmaceutical companies always seek the opportunities by which, with minimum investment efforts on promotional inputs, they get maximum output in terms of prescriptions from physicians. By current research, the companies may take insights that which professional characteristic of physicians have a relationship with which promotional technique. Pharmaceutical companies may apply the outcome of the research to develop the customized and efficient promotional strategies.

SCOPE FOR FURTHER RESEARCH

The current research has provided the insights regarding the relationship of various kinds of professional characteristics of physicians with the four factors of pharmaceutical promotional techniques. The research can be extended including the more professional characteristics of physicians. The present study has tried to explore the relationship between the professional characteristics of physicians and the factor of promotional techniques. In context of consumer behavior, many factors like the customer attitudes, perception and learning affect the buying decision process. The current research may be extended to any of the said areas of consumer behavior so that the pharmaceutical companies can optimize their promotional strategies at its best.

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FINANCIAL INCLUSION IN INDIA
AND EMERGING ROLE OF INDIA POST THROUGH MICRO FINANCE

Priyanka Arora

ABSTRACT
Access to finance has become a major policy issue under the term financial inclusion, which is assumed one of the key drivers of an inclusive economy and micro finance can contribute largely in achieving the targets of financial inclusion. During post liberalization period where banking sector has been enormously growing and in some cases leading the country’s remarkable economic growth. At the same time, Indian post offices are also providing banking services in the form of various saving schemes to all the sections of people of the society since 1882. Post offices served Indian villagers as banker much before financial inclusion become buzzword and it claims to be the pioneer of financial inclusion in India. The purpose of the paper will be to discuss various micro-finance issues involved and particularly the role of post office saving schemes in financial inclusion and the challenges before the India post in providing banking services to the masses. While preparing the paper data and information are collected from various publications of India Post, RBI and Government of India and accordingly analysis is made.

KEYWORDS
Micro Finance, Financial Inclusion, India Post etc.

INTRODUCTION
Finance is the lubricant, which oils the wheels of development. All economies rely upon the intermediary function of finance to transfer resources from savers to investors. In market economies, commercial banks, financial institutions and capital markets perform this function. Bringing financial services to rural clients is the biggest challenge for broad-based financial inclusion. For any country, an improved financial inclusion of different population groups is important for a well-functioning and sustainable financial system. Often the main barriers are the distance that rural residents must travel to reach a bank branch. Poor infrastructure and telecommunications, and heavy branch regulation, also restrict the geographical expansion of bank branch networks. Therefore, non-banking financial institutions like microfinance institutions help to fill this gap.

Since formal credit institutions rarely lend to the poor, special institutional arrangements become necessary to extend credit to those who have no collateral to offer. Microfinance, largely can contribute to the national mission i.e. financial inclusion by providing small loans and savings facilities to those who have been excluded from commercial financial services. Microcredit has been defined as “programmes that provide credit for self-employment and other financial and business services (including savings and technical assistance) to very poor persons” (Micro Credit Summit, 1997).

In recent periods, banking sector has shown tremendous change in terms of technological advancements, internet banking, online money transfers etc., but access to such technology is restricted only to certain segments of the society. There are more opportunities for a segment of high and upper middle-income population and a significantly large section of the population is lacking access to even the most basic banking services. This is termed “financial exclusion”. These people, particularly, those living on low incomes, cannot access mainstream financial products such as bank accounts, credit, remittances and payment services, financial advisory services, insurance facilities, etc.

What is Financial Inclusion?
Financial inclusion is the availability of banking services at an affordable cost to disadvantaged and low-income groups. In India, the basic concept of financial inclusion is having a saving or current account with any bank. In reality, it includes loans, insurance services and much more. In advanced economies, Financial Inclusion is more about the knowledge of fair and transparent financial products and a focus on financial literacy. In emerging economies, it is a question of both access to financial products and knowledge about their fairness and transparency.

According to the Planning Commission (2009), financial inclusion refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products.

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BRIEF LITERATURE REVIEW

Malakar (2013) undertook a study to examine the role of India Post in financial inclusion. The author threw light on various saving schemes and insurance products through which India Post is making the services available to grass root level population. It was also found that Government is ensuring payment of various social security schemes through department of Post and co-ordination with other institutions for technology and innovations can make India Post a tremendous contributor to the financial inclusion plans.

Ghosh (2007) studied the extent of financial inclusion in India through micro-finance institutions i.e. NGOs, SHGs. The author is of the view that apart from commercial banks various micro finance institutions as stated above can contribute towards the targets of financial inclusion. Emerging role of Post Office Saving bank was also analyzed. It was found that because of maximum geographical reach Post Offices can reach the marginalized and vulnerable classes of people thereby could implement the plans of financial inclusion to great extent.

RBI (2005) proposed financial inclusion based on the business facilitators/ business correspondent model, adapting the Brazilian success story in India. In 2005, efforts were made to make banking services available to rural areas through credit facilities. The report mainly focused on further acceleration of effective delivery of credit to the rural farm and non-farm sectors and in order to achieve this, the suggestions provided by the committee were broadly based on the three models such as business facilitator model, business correspondent model and microfinance model.

GOI (2008) examined financial inclusion as a delivery mechanism providing financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups. The report recommended that financial inclusion should include access to mainstream financial products and banking services should be available to the entire population for sustainable development and generation of employment in rural areas should be a priority. Further constitution of a National Mission on Financial Inclusion (NMFI) was suggested in order to achieve universal financial inclusion within a specific period.

OBJECTIVES

The objective of the paper is:

- To examine the extent of financial inclusion in India.
- To study the role of India Post in financial inclusion and challenges in providing financial services.

DATA & METHODOLOGY

The paper is descriptive one as it reviews the role of various institutions in financial inclusion plans of Government. Data published by various journals, articles and institutions such as Government of India, Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD) etc. are used for the purpose.

ANALYSIS & INTERPRETATION

Extent of Financial Inclusion in India

Over the years, the issue of financial inclusion has caught the attention of many governments, economists, policy makers and programmers because of its immense contribution to the economic development of country. Indian Government keeps on launching various small scale saving schemes, social security schemes through banks, Post offices and by establishing various institutions to make available the financial services to the economically vulnerable classes. Some Measures initiated by the government include, opening customer service centers, credit counselling centers, Kisan Credit Card, Mahatma Gandhi National Rural Employment Guarantee Scheme and Aadhar Scheme.

Some of major milestones for financial inclusion In India:

- 1971- Priority Sector Lending Banks,
- 1975- Establishment of Regional Rural Banks (RRBs) (1975, 1976),
- 1982- Establishment of NABARD(1982),
- 1989- Service area approach (1989),
- 1990- Self-help group-bank linkage program (1989,1990),
- 1998- NABARD sets a goal for linkage one million SHGs by 2008,
- 2000- Establishment of SIDBI foundation for micro credit,
- 2007- Proposed bill on micro finance Regulation introduced in Parliament,
• 2008- An Expert committee report on harnessing the network of India Post for financial inclusion,
• 2014- Introduction of PMJDY (Pradhan Mantri Jan Dhan Yojna) for achieving the targets of financial inclusion.

The Reserve Bank of India is taking initiatives on behalf of the Government’s plan for making financial services available to grass-root level and has been encouraged the commercial banks to adopt planned approach to financial inclusion with commitment at the highest levels. Measures such as SHG-bank linkage program, use of business facilitators and correspondents, easing of Know Your Customer (KYC) norms, electronic benefit transfer, separate plan for urban financial inclusion, use of mobile technology, bank branches and ATMs etc. have been taken. Banks are also advised that services should reach the branch level to ensure the involvement of all the stakeholders. The focus under the new plan is now more on the volume of transactions in the large number of accounts opened. Progress report for financial inclusion plan is shown in table-1.

Table-1: Financial Inclusion Plan-Summary Progress of all Banks Including RRBs

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Year Ended 2010</th>
<th>Year Ended March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking Outlets in Villages- Branches</td>
<td>33378</td>
<td>46126</td>
</tr>
<tr>
<td>Banking Outlets in Villages- Branchless mode</td>
<td>34316</td>
<td>337678</td>
</tr>
<tr>
<td>Banking Outlets in Villages-Total</td>
<td>67694</td>
<td>383804</td>
</tr>
<tr>
<td>Urban Locations covered through BCs</td>
<td>447</td>
<td>60730</td>
</tr>
<tr>
<td>Basic Savings Bank Deposit A/c through branches (No. in million)</td>
<td>60.2</td>
<td>126</td>
</tr>
<tr>
<td>Basic Savings Bank Deposit A/c through branches (Amt. in million)</td>
<td>44.3</td>
<td>273.3</td>
</tr>
<tr>
<td>Basic Savings Bank Deposit A/c through BCs (No. in billion)</td>
<td>13.3</td>
<td>116.9</td>
</tr>
<tr>
<td>Basic Savings Bank Deposit A/c through BCs (Amt. in billion)</td>
<td>10.7</td>
<td>39.0</td>
</tr>
<tr>
<td>Basic Savings Bank Deposit Accounts Total (No. In million)</td>
<td>73.5</td>
<td>243</td>
</tr>
<tr>
<td>Basic Savings Bank Deposit Accounts Total (Amt. in billion)</td>
<td>55</td>
<td>312.3</td>
</tr>
<tr>
<td>OD facility availed in BSBDAs (No. in million)</td>
<td>0.2</td>
<td>5.9</td>
</tr>
<tr>
<td>OD facility availed in BSBDAs (Amt. in` billion)</td>
<td>0.1</td>
<td>16</td>
</tr>
<tr>
<td>KCC-(No.in million)</td>
<td>24.3</td>
<td>39.9</td>
</tr>
<tr>
<td>KCCs – (Amt. in billion)</td>
<td>1240.1</td>
<td>3684.5</td>
</tr>
<tr>
<td>ICT A/Cs-BC- Transaction - (No. in million) (During the year)</td>
<td>26.5</td>
<td>328.6</td>
</tr>
<tr>
<td>ICT A/Cs-BC- Transactions - (Amt. in` billion) (During the year)</td>
<td>6.9</td>
<td>524.4</td>
</tr>
<tr>
<td>GCC - (Amt. in` billion)</td>
<td>35.1</td>
<td>1096.9</td>
</tr>
<tr>
<td>GCC- (No. in million)</td>
<td>1.4</td>
<td>7.4</td>
</tr>
</tbody>
</table>


NABARD is also playing a great role in inclusive growth of country. It continued to manage two dedicated funds i.e., (i) Financial Inclusion Fund (FIF) for meeting the cost of developmental and promotional interventions and (ii) Financial Inclusion Technology Fund (FITF) for meeting the cost of technology adoption for financial inclusion. Advisory Board with representation from GoI, RBI, National Association of Software and Services Companies (NASSCOM), Insurance Regulatory and Development Authority (IRDA) and Institute for Development and Research in Banking Technology (IDRBT) under the chair of NABARD, keeps on guiding and rendering policy advice in respect of management of these Funds. As on 31 March 2014, the cumulative sanctions under FIF and FITF were `502.80 crore and `408.45 crore, respectively (NABARD, Annual Report 2013-14).There is a proposal to merge FIF and FITF into a single Fund. The RBI and NABARD have agreed to the proposal and the issue is under examination by GoI.

Recent Announcement by Government of India on Financial Inclusion

For increasing the level of financial inclusion, the Government of India have taken few actions the recent of which is the introduction of social welfare scheme i.e. PMJDY (Pradhan Mantri Jan Dhan Yojna). The prime minister, Shri Narendra Modi’s first Independence Day speech on 15 August 2014 put insights in comprehensive financial inclusion across all groups in India through Pradhan Mantri Jan-Dhan Yojana scheme. The scheme was formally launched on 28 August 2014 with a target to provide ‘universal access to banking facilities’ starting with basic banking accounts with overdraft facility of Rs.5000 after six months and RuPay debit card with inbuilt accident insurance cover of Rs. 1 lakh and RuPay Kisan card & in next phase, micro insurance & pension etc. will also be added. Table 2 shows the number of accounts and balance amount of urban and rural customers under this scheme.

Features of the Scheme

• To remove untouchability in financial sector implying thereby ‘universal banking’.
• To Provide Basic banking accounts with overdraft facility and RuPay Debit card to all households.
Financial literacy will be an integral part of the Mission.
Credit Guarantee Fund will be created to cover the defaults in overdraft accounts.
To provide micro-insurance and unorganized sector Pension schemes to all willing and eligible persons by 14 August 2018, and then on an ongoing basis.

### Table-2: Number of Accounts under PMJDY

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Number of Accounts (in Lacs)</th>
<th>Number of Rupay Debit Cards (in Lacs)</th>
<th>Balance in Accounts with Zero Balance</th>
<th>Number of Accounts with Zero Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Public Sector Banks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Regional Rural Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Private Banks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

#### Emerging Role of India Post

Established in 1854, the postal department is one of the oldest department in public sector undertaking of Government of India having legislative basis in the India Post Office Act, 1898 (Dave, 2008). It touches the lives of Indian citizens in many ways: delivering mails, accepting deposits under small saving schemes, providing life insurance cover under PLI (Postal life Insurance), RPLI (Rural Postal Life Insurance) and providing retail services like bill collection, sale of forms. DOP comes under the Ministry of Communication and Information Technology, Government of India.

India Post as having 90% of its network in rural areas can play an outstanding role in financial inclusion as it provides accessible and affordable services to the people of India through its unparalleled network of post offices (shown in Table 3). Mails, POSB (Post Office Saving Bank), PLI (Postal Life Insurance) and parcel are the mainstay of post offices with several new services like money transfer, EMO (Electronic Money Order) and distribution of mutual funds taken successfully in the last decade (Anand et al., 2013). Post offices connect these rural areas with rest of country and provide banking facility in the absence of banks in the rural areas (Kanthi & Kumar, 2013).

### Table-3: Number of Post Offices (Rural and Urban)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>139144</td>
<td>15871</td>
</tr>
<tr>
<td>2009-10</td>
<td>139182</td>
<td>15797</td>
</tr>
<tr>
<td>2010-11</td>
<td>139040</td>
<td>15826</td>
</tr>
<tr>
<td>2011-12</td>
<td>139086</td>
<td>15736</td>
</tr>
<tr>
<td>2012-13</td>
<td>139164</td>
<td>15692</td>
</tr>
<tr>
<td>2013-14</td>
<td>139370</td>
<td>15485</td>
</tr>
</tbody>
</table>

**Sources:** Department of Post, Annual Report, 2013-14

#### Post Office Saving Bank

POSB (Post Office Saving Bank) is the oldest and largest banking institution in the country serving the investment need of both urban and rural clientele. It was established in 1882 by the British colonizers to mobilize savings. It is an agency function carried out by the department of post on behalf of the Ministry of Finance, Government of India. A recent expert committee report makes POSB for accessing financial inclusion and full-fledged banking operation for India Post. The Post Office Savings Bank (POSB) has a customer base of more than 312.07 million account holders as on 31.03.2013. It has 125323400 saving accounts with 37792.78 crore balance and 603169.9 crore balance including certificates under various small scale saving schemes as on 31st March, 2013 (shown in table 4). Department of Posts operates the Small Savings Schemes on behalf of the Ministry of Finance, Government of India. The Post Office small savings scheme provides a secure, risk free and attractive investment option for the small investors and offers the savings products, which serve various investment requirements of the customers.

- **Savings Bank Account (SB):** Serves the need of regular deposits and withdrawals. Cheque facility is also available.
- **Recurring Deposit Account (RD):** Offers a monthly investment option with a handsome return at the end of five years with option to extend the account period. Insurance cover facility is also available with some conditions.
- Monthly Income Scheme (MIS): offers a fixed investment option for five years with monthly interest payment facility. The facility of automatic credit of interest to SB account available.

- Public Provident Fund (PPF): Offers intermittent deposits subject to certain limits for a 15-year period coupled with income tax exemptions subject to certain conditions, on the investment. Loan and withdrawal facilities also available.

- Time Deposit (TD): Fixed deposit option for periods ranging from one, two, three to five years with facility to draw yearly interest offered at compounded rates. Automatic credit facility of interest to SB account.

- Senior Citizens Savings Scheme (SCSS): Offers fixed investment option for senior citizens for a period of five years, which can be extended, at a higher rate of interest that are paid in quarterly instalments.

- National savings certificates (NSC) (VIII) issue: with a fixed investment for 5 years on certificates of varied denominations. Pledging facility available for availing loan from Banks.

- National Savings certificates (IX) issue: Fixed investment tenure of 10 years.

**Table 4: Accounts and Balance as on 31.03.2013**

<table>
<thead>
<tr>
<th>Name of Schemes</th>
<th>Number of Accounts</th>
<th>Outstanding Balance (Rs. in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Saving Accounts</td>
<td>125323400</td>
<td>377927.81</td>
</tr>
<tr>
<td>2. RD Accounts</td>
<td>93898145</td>
<td>679640.81</td>
</tr>
<tr>
<td>3. TD Accounts</td>
<td>11199051</td>
<td>330071.95</td>
</tr>
<tr>
<td>4. MIS Accounts</td>
<td>22886528</td>
<td>2017855.26</td>
</tr>
<tr>
<td>5. NSS Accounts (87 &amp; 92)</td>
<td>348636</td>
<td>42922.41</td>
</tr>
<tr>
<td>6. PPF Accounts</td>
<td>2374661</td>
<td>411202.24</td>
</tr>
<tr>
<td>7. Sr. Citizens Saving Scheme</td>
<td>1085831</td>
<td>240928.18</td>
</tr>
<tr>
<td>8. Cumulative Time Deposit</td>
<td>305411</td>
<td>2.38</td>
</tr>
<tr>
<td>9. Fixed Deposit</td>
<td>7899</td>
<td>241.98</td>
</tr>
<tr>
<td>10. NSC VIII</td>
<td>-</td>
<td>647089.62</td>
</tr>
<tr>
<td>11. KVP</td>
<td>-</td>
<td>1283784.33</td>
</tr>
</tbody>
</table>

*Sources: India Post - Annual Report, 2012-13*

**Performance in Other Social Security Schemes**

Department of Posts also undertakes payment of pensions under the National Social Assistance Programme (NSAP) of the Ministry of Rural Development (MoRD). These schemes are of immense social importance as they provide the much-needed financial support to some disadvantaged sections. These include:

- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA),
- Indira Gandhi National Old Age Pension Scheme (IGNOAPS),
- Indira Gandhi National Widow Pension Scheme (IGNWPS),
- Indira Gandhi National Disability Pension Scheme (IGNDPS),
- Indira Gandhi Matritva Sahyog Yojana (IGMSY).

Government gave the responsibility to Department of Posts to disburse the wages through post offices by opening savings bank accounts for MGNREGA beneficiaries. Starting with Andhra Pradesh Circle in 2005, the scheme of disbursement of MGNREGA wages through post office accounts has been made operational in the entire country, with the exception of Delhi and J & K Circles. The Scheme is operational through 96735 post offices as on 31.03.2014. The number of accounts and amount of wages disbursed through post offices under MGNREGA has steadily grown over the years. During the period from April, 2013 to February, 2014, 63.9 million MGNREGA accounts were opened, and an amount of `104100 million was disbursed.

Payments for pension schemes are being effected through either money orders or the Post Office Savings Bank (POSB) accounts depending upon the choice of the implementing agency and beneficiaries. In 2012-13, more than `8137.9 million have been disbursed through POSB accounts and more than 32000 million have been paid through money orders. During the year 2013-2014, 12306.5 million have been disbursed through POSB accounts and 32249.1 million through money orders by January 2014.
Indira Gandhi Matritva Sahyog Yojana (IGMSY), a Conditional Cash Transfer (CCT) Maternity Benefit Scheme for addressing maternal under-nutrition, has been introduced in 52 identified districts through the platform of the Integrated Child Development Services (ICDS) Scheme. The Scheme envisages providing cash directly to women during pregnancy and lactation subject to the individuals fulfilling specific conditions.

PROBLEMS AND CHALLENGES

There is no doubt of the fact that Indian post is playing an important role in financial inclusion but it is still facing some problems and challenges some of which are as follows:

- India Post is lacking the basic infrastructure in terms of technology as compared to commercial banks and other micro finance institutions.
- Unions in Postal department and lack of co-ordination adversely affect the efficiency level of employees.
- Increase in the number of MFIs, NGOs and SHGs is the major challenge for India Post to contribute towards financial inclusion.
- Lack of experience in business culture and credit and asset management affects its overall profitability.
- Commercial Banks are much more involved in micro credit and trying to penetrate the rural areas.

CONCLUSION AND WAY FORWARD

Access to financial services is vital for the sustainable development of the country and in order to achieve the goal of total financial inclusion regulators, policymakers, MFIs, NGOs and other institutions have to co-ordinate among themselves. The paper highlighted the extent of financial inclusion in India and particularly the role played by Department of Post in financial inclusion. Keeping in mind the problems and challenges faced by the Department of Post it is recommended that:

- POSB can appoint Credit Appraisal Officers to appraise credit appraisal techniques.
- The business correspondent should accompany the postman to register deposits, withdrawals, and request for opening accounts. This could serve as a KYC in many cases.
- India Post should deliver lowcost bank accounts to all Indian citizens as compared to banks and especially to the financially excluded population.
- India Post should look for ways to lower down it cost platform by providing India Post branded accounts to other strategic partners, such as MFIs, mutual fund and insurance companies, and telecom operators.
- India Post must have a large number of partners in terms of financial inclusion players and innovative new technological choices in order to increase the size of the network
- India Post should play a role in the emergency credit aspect of financial inclusion whereas private lenders deliver credit to the poor through a competitive framework
- To explore various methods to attract potential customers to visit the post office with banking facilities.
- Banks can tie-up with India Post to utilize their extensive network by setting up small banking counters at each of their post offices, especially rural branches to promote banking service of Department of posts.

In Summary, various initiatives have been taken from time to time for implementation of financial inclusion plan still there is much more required for making financial service available in rural areas and India Post can give a new dimension to the process of financial inclusion if it can make coordination with other stakeholders.

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76. Retrieved from https://www.indiapost.gov.in/Financial/Pages/Content/Financial.aspx
77. Retrieved from https://www.indiapost.gov.in/Financial/Pages/Content/Offerings.aspx
78. Retrieved from https://www.indiapost.gov.in/Financial/Pages/Content/Offerings.aspx
80. Retrieved from https://www.indiapost.gov.in/Financial/Pages/Content/Offerings.aspx
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FDI IN PHARMACEUTICAL SECTOR AND EFFECT ON PRICING OF DRUGS: THE INDIAN CONTEXT

Smita Pandey

ABSTRACT

With the recent decision of the government on the suggestion given by Arun Maira committee for FDI in pharma sector in India, the spotlight has again shifted to the availability of affordable drugs. The author has concentrated on the acquisition activities of pharma sector by MNCs as a means of FDI. The MNCs have resorted to the method of acquisition of Indian companies, which will benefit out of it. It is because of the strong Indian generic manufacturing units as well as availability of skilled resources with sound technical expertise and adequate knowledge among Indian work force in the Industry. With them being taken over, turning the very important sector, as oligopolistic wherein major Indian pharmaceutical companies are being acquired for a high value, there are essentially no local companies operational to produce generic drugs, and thus resulting into the high price of drugs. The article has raised questions as to the decision of the government on 100% FDI to be continued without any riders attached.

INTRODUCTION

Richard Gerster had once said that The Indian pharmaceutical industry is a success story providing employment for millions and ensuring that essential drugs at affordable prices are available to the vast population of this sub-continent. This statement was made in the 1990s when India was considered the champion of reverse engineering and producer of generic drugs. The situation changed after India adopted the new Patents (amendment) Act, 2005 in which the product patent was introduced. By that time, India had already allowed for Foreign Direct Investment in pharma sector to the fullest (in 2001) and thus many dynamics changed for the Indian Pharmaceutical Industry. The country saw a surge of investment in the pharma sector and the economy swelled. However, on the flipside, the MNCs looked for strategic alliances suiting their requirements, generic drugs manufacturing units, brown-field investments, production of life style related drugs rather than life saving drugs and the list continues. These in turn have contributed to the high price of drugs. The foreign investors are interested in Indian pharma Industry for various reasons and two of them being 100% FDI & product patent. Since product patent was mandatory according to the TRIPS Agreement, but 100% FDI can be looked into and reconsidered. The article concentrates on the provisions of FDI and its effect on the pricing of drugs.

FOREIGN DIRECT INVESTMENT AND ITS BACKGROUND

FDI has been given many definitions by various financial organizations. To quote a couple of them “FDI means transfer of foreign funds into a country to purchase a service or manufacturing business or to open a new factory or service company.”

Direct investment is defined by the International Monetary Fund (IMF) as “investment that is made to acquire a lasting interest in an enterprise operating in an economy other than that of the investor, the investor's purpose being to have an effective voice in the management of the enterprise.” In general terms, it means the investment done by investors in a different country through direct legal route if the government of that country allows for it through its policy.

India was not a country, which believed in economic liberalization from its inception in 1947. In turn, the country banked heavily on the socialistic pattern of economy. However, with times India changed its stand and looked towards economic liberalization as a means of development. It is an ongoing economic reform that started on 24 July 1991 but the attempts to liberalize economy continued without any riders attached.

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2Hereinafter “FDI”.

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In 1991, after India faced a balance of payments crisis, it had to pledge 20 tons of gold to Union Bank of Switzerland and 47 tons to Bank of England as part of a bailout deal with the International Monetary Fund (IMF). In addition, the IMF required India to undertake a series of structural economic reforms.

Because of this requirement, the government of Mr. P. V. Narasimha Rao and his finance minister Dr. Manmohan Singh (and later the Prime Minister of India) started breakthrough reforms, although they did not implement many of the reforms the IMF wanted. The new neo-liberal policies included opening for international trade and investment, deregulation, initiation of privatization, tax reforms, and inflation-controlling measures. The overall direction of liberalization has since remained the same, irrespective of the ruling party. Finally, in 1997, India allowed Foreign Direct Investment (FDI) in various sectors with government approval. The approval requirement was relaxed, and automatic permission was granted in 2006.

THE INDIAN PHARMACEUTICAL INDUSTRY AND FDI

The seeds of liberalization of Pharma FDI policy were sown in the 1986 Drug Policy. The drugs and pharmaceutical sector was opened to FDI in 1991. FDI/Foreign Equity, up to 51%, under the automatic approval route, was allowed in manufacture of drugs, medicines and allied products. The sector was further opened up in the year 2000, as prescribed by the 1994 Drug Policy, by permitting FDI up to 74%, under the automatic route.

Further liberalization of the drugs and pharmaceutical sector took place in 2001 and the sector was opened up for 100% Foreign Direct Investment, in respect of drugs not attracting compulsory licensing or involving use of recombinant DNA technology and specific cell/ tissue targeted formulations. With effect from 23rd September, 2005, drugs manufacturing was freed from licensing and the sector has been placed fully on the automatic route for FDI since then.

PHARMA SECTOR AFTER 100% FDI

In addition to the public sector, multinationals have become a part of India’s pharmaceutical foundation after the 100% approval. Foreign companies entered the Indian market merely as trading companies with small investments. The new industrial policies emphasized the importance of foreign capital and industrial know-how. The Indian government carried out liberal FDI policies and incentives to invite foreign firms to start manufacturing facilities in order to get an inflow of know-how in the sector. The leading pharmaceutical companies from the West came to India and established manufacturing facilities. Subsequently, the multinationals brought in technology and international manufacturing practices. Domestic firms were encouraged to tie up with foreign firms, with participation in capital, and there were collaboration agreements in the private sector. E.g., the foreign firm Hoechst established a research center, which enhanced basic research in India. India was attractive to foreign firms mainly due to its large market and increasing demand for drugs. The inflow of foreign direct investments into India has increased since the liberalization reform started.

Due to the pharmaceutical industry’s requirement of capital and know-how intensity, most of the world’s production is located in the developed countries. India is one of the few developing countries with a large production base in pharmaceutical products. India’s trade in pharmaceutical products has increased a lot since the liberalization reforms and it has comparative advantages in trade with pharmaceutical products, both bulk drugs and formulations. The Indian pharmaceutical industry ranks very high among developing countries, in terms of technology and quality, and is today in the front rank of India’s science based industries. The growth of the Indian pharmaceutical industry has been remarkable.

The industry is today the fourth largest globally, in terms of volume, and 13th largest in terms of value. The industry accounts for 8% of the global sales in volume but in terms of value, it is barely 1%. The role of the Indian pharmaceutical industry in international market today is as a supplier of good quality, low cost generic bulk and formulation Potential growth of the Indian pharmaceutical industry is great and still nearly 65% of India’s population does not enjoy comprehensive access to quality healthcare today. A large share of the population is still under privileged for access to medicines.

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6 Internet Content Rating Association, 2004 Hereinafter “ICRA”
7 See generally Annika Bergman and Naravana, FDI and Spillover Effects in the Indian Pharmaceutical Industry, RIS-DP # 113 (August 2006) (arguing about the spillover effects of FDI in India)
8DIPP, 2005
9Department of Industrial Policy and Promotion, 2005 “Hereinafter” DIPP
10Id, 6
Although Government has become very liberal today but earlier the foreign pharmaceutical firms in India have met a restrictive environment. The foreign companies while investing in India were to follow certain policies and guidelines put forth by SEBI and FIPB (Foreign Investment Promotion Board).

There used to be performance requirements for the foreign firms investing in the Indian pharmaceutical Industry, in order to create linkages between foreign and domestic firms. A summary of the performance requirements thereof have been imposed on foreign firms over the years in India is found in table below:

<table>
<thead>
<tr>
<th>Performance Requirements for Foreign Firms in the Pharmaceutical Industry</th>
<th>1950-70</th>
<th>1970-90</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Equity share</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Technology Transfer</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Employment and Training Industry</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

The table above is indicative of the fact that until 1970 India allowed only those investors to invest in pharma sector, which were willing to invest in R&D, and was okay with technology transfer. However, as of today India has let off those parameters to decide for the investors to invest in pharma sector. The pharmaceutical industry globally is undergoing a paradigm shift in the way it conducts business to sustain growth. In the last few years, the position because of FDI in pharmaceutical sector had not been very comfortable. In fact, it has been alarming, to put it very mildly. It was highlighted that since 2006, there have been seven takeovers (attributing it to below mentioned reasons). These companies are Matrix Lab, Dabur Pharma, Ranbaxy Labs, Shanta Biotech, Orchid Chemicals, Paras Pharma and Piramal Healthcare.

The following table is illustrative of some major acquisitions / takeover of domestic companies by pharma MNCs since the year 2006.

<table>
<thead>
<tr>
<th>Year</th>
<th>Indian Company</th>
<th>Multinational Company</th>
<th>Value($ Mn)</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Matrix Labs</td>
<td>Mylan</td>
<td>736</td>
<td>Acquisition</td>
</tr>
<tr>
<td>2007</td>
<td>Ranbaxy Labs</td>
<td>Daiichi Sankyo</td>
<td>4600</td>
<td>Acquisition</td>
</tr>
<tr>
<td>2008</td>
<td>Dabur Pharma</td>
<td>Fresenius Kabi</td>
<td>219</td>
<td>Acquisition</td>
</tr>
<tr>
<td>2009</td>
<td>Shantha Biotech</td>
<td>Sanofi-Aventis</td>
<td>783</td>
<td>Acquisition</td>
</tr>
<tr>
<td>2010</td>
<td>Orchid Chemicals</td>
<td>Hospira</td>
<td>400</td>
<td>Business Buyout</td>
</tr>
<tr>
<td></td>
<td>Piramal Healthcare</td>
<td>Abbott</td>
<td>3720</td>
<td>Business Buyout</td>
</tr>
<tr>
<td></td>
<td>Paras Pharma</td>
<td>Reckitt Benkiser</td>
<td>726</td>
<td>Acquisition</td>
</tr>
<tr>
<td>2013</td>
<td>Agila Specialities</td>
<td>Mylan Inc.(US)</td>
<td>1750</td>
<td>Acquisition</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

The fact that all these companies have been taken over at valuations much higher than their actual value is extremely disconcerting. To cite an example, against a prudent valuation norm of 2-3 times, M/s. Piramal Healthcare was acquired by Abbott at almost nine times the sales turnover. Daiichi paid ₹737 for each share of Ranbaxy, which had an intrinsic value of just ₹365 at the time of its acquisition.

In hind sight, one may argue that to overcome this problem of oligopolistic market being created, Pharmaceutical Mergers and Acquisitions are to be scanned by Competition Commission of India. To understand the role of these M&A, it is important to study and reflect on the Competition Act.

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14Sources: Organization of Pharmaceutical Producers of India (OPPI).

15One Hundred and Tenth Report on FDI in Pharmaceutical Sector (Presented to the Rajya Sabha on 13th August, 2013) (Laid on the Table of Lok Sabha on 13th August, 2013) [http://164.100.47.5/newcommittee/reports/EnglishCommittees/Committee%20on%20Commerce/110.pdf](http://164.100.47.5/newcommittee/reports/EnglishCommittees/Committee%20on%20Commerce/110.pdf)
Section 5\textsuperscript{16} and Sec 6\textsuperscript{17} decide on the matters of mergers and acquisition of companies. Besides this, the CCI also has the power to order a demerger under Section 28\textsuperscript{18} of the Competition Act, 2002. This section means that if the merged entity engages in any form of exploitative or exclusionary practice, the CCI can take suitable action including asking the merged firm to break up. So far, no case of a demerger has come up before the CCI. Nonetheless, to add to this is the grave issue that many mergers and takeovers in this sector would not attract CCI scrutiny, as they may not meet the prescribed financial threshold requirements. Under the existing law, only M&A’s that involve target companies with a turnover of above Rs 750 crore and assets worth more than Rs 250 crore need to be vetted by the CCI.

\textit{Reasons for Acquisition}

The major reasons ascribed for the MNCs rush to India is to acquire the generic companies in wake of patents being expired and it falling in public domain free use of generic companies. The companies also want to utilize the well-oiled domestic marketing network of the Indian companies, which in turn will earn huge profits.

With the acquisitions, they can gain control of the existing export market of the Indian pharma industry as well as big domestic market size, which has growth trends.

Indian market also has advantage in the form of cheaper operating cost, English-speaking skilled labor, predictability in business environment, efficient IT infrastructure, sound legal and IPR framework and off-course broad base of scientists and R&D capabilities as well as well-equipped laboratories.

These factors have in fact contributed to the spate of Brownfield investments in the pharma sector which not only include the inherent strength of the Indian companies in producing world class products at very low cost but also several factors having international ramifications. Developed countries are facing severe strain on their health budgets and are looking at generic drugs to cut down health costs. Fifty-one drugs worth US $ 80 billion have gone off patent during the period 2011-13. It has been argued that with the research & development pipelines running dry and patents on many blockbuster drugs going off-patent shortly, pharma MNCs are venturing into acquiring strong generic manufacturing Indian pharma companies by taking advantage of 100% FDI through the automatic route introduced in 2001.\textsuperscript{19}

The Indian pharmaceutical industry is all set to gain from the expiry of patents in some blockbuster drugs by producing their generic equivalents. India has the highest number of US-FDA approved plants outside the US. Most of these plants have multiple approvals from regulatory authorities in Canada, Australia and EU countries. Thus, the MNCs stand to gain in multitudinous ways by brown field investments\textsuperscript{20} in the country. The market share of foreign companies in the list of top 10 Pharmaceutical companies in India has increased from 10.5% in 2004-05 to nearly 19% in 2010-11.\textsuperscript{21}

Although there are various reasons for high cost of drugs but one of the prominent ones seems to be acquiring of Indian drug companies by MNCs. The recent spate in acquisitions / mergers (one of the means of FDI) of leading Indian pharmaceutical companies by multinational pharma companies resulting in the transfer of ownership to pharma MNCs had adversely impacted the accessibility and affordability of drugs for the general public and therefore the Government was compelled to revisit the existing policy of automatic route for FDI in pharma sector and thus constituted Arun Maira Committee under the Planning Commission of India.

\textsuperscript{16}Section 5 of the Competition Act prescribes the thresholds under which combinations shall be examined.

\textsuperscript{17}Section 6 of the Competition Act states that ‘No person or enterprise shall enter into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and such a combination shall be void.’

\textsuperscript{18}Section 28 of the Competition Act, 2002 says that if the merged entity is abusing its dominant position.

\textsuperscript{19}A generic drug is a pharmaceutical product, usually intended to be interchangeable with an innovator product, which is manufactured without a license from the innovator company and marketed after the expiry date of the patent or other exclusive rights. According to Trade, foreign policy, diplomacy and health, Glossary of globalization, trade and health terms, (WHO, 2013) \url{http://www.who.int/trade/glossary/story034/en} (accessed on 09/10/13)

One Hundred And Tenth Reports on FDI in Pharmaceutical Sector (Presented to the Rajya Sabha on 13th August 2013) (Laid on the Table of Lok Sabha on 13th August, 2013), \url{http://164.100.47.5/newcommittee/reports/EnglishCommittees/Committee%20on%20Commerce/110.pdf}

\textsuperscript{20}Definition: When a company or government entity purchases or leases existing production facilities to launch a new production activity. This is one strategy used in foreign-direct investment. \url{http://www.investopedia.com/terms/b/brownfield.asp} (accessed on 12/03/14).

\textsuperscript{21}Organization of Pharmaceutical Producers of India, 2013
Arun Maira Committee Report

The Arun Maira Committee was constituted to look into the concerns of accelerated rate of M&A under FDI. Based on the recommendations of the Maira Committee Report, the FDI policy was revised and notified by DIPP vide Press Note 3 of 2011, which states that all cases of FDI, up to 100% for investments in existing companies (Brownfield investments) in the pharmaceutical sector would require prior approval from the Foreign Investment Promotion Board (FIPB). FDI, up to 100% in the Greenfield investment\(^2\) in the pharmaceutical sector would continue to be permitted under the automatic route. The Department of Economic Affairs had constituted a Special Group to examine various matters of FDI policy formulations in Pharma Sector and to make recommendations. This Special Group considered the public health concerns in respect of FDI proposals in Brownfield pharma companies. Subsequently, after a meeting chaired by the Prime Minister on 3.12.2012, the following decisions were taken:

- 100% FDI in Greenfield investments in the pharmacy sector under automatic route would continue.
- For Brownfield investment in pharmacy:

  I: The Ministry of Corporate Affairs to assess the need for additional amendments to be made to the Competition Act to accord suitable powers to the CCI to impose suitable conditionality on Mergers and Acquisitions (M&As) keeping in view the public health concerns. Additional amendments, if deemed necessary, would be referred to Parliament, to be incorporated with the existing proposal already placed before it, at the earliest.

  II: In the meanwhile FIPB shall continue to scrutinize proposals for FDI in Brownfield pharma.

The FIPB will impose the following conditionality, wherever necessary, while considering proposals for Brownfield investments in pharma:

- The quantitative level of National List of Essential Medicines (NLEM) drugs production at induction is maintained for 5 years.
- R&D expenses be maintained in value terms for 5 years, and
- Provide complete information on the transfer of technology, if any, into the investing company.

The Committee notes that the pharmaceutical sector has been one of the major attractions for FDI. Over the years pharma FDI has grown substantially and there has been fluctuation in the flow of investment. The Committee notes that from April 2000 to December 2012, FDI equity inflows, in the Drugs and Pharmaceuticals Sector, amounted to US $ 9,173.50 million (Rs. 45,980.03 crores). This constitutes 5.6 per cent of total FDI received during the given period. India is recognized as leading global player in manufacture of medicines. India ranks third in terms of volume of production and 14th in terms of value. Despite this fact, India itself has large unmet demand for critical medicines.

**Decision by Government on Arun Maira Committee’s Suggestion**

Despite concerns over a series of takeovers of Indian pharmaceutical companies by international ones, the government on January 9, 2014, kept the existing policy, allowing up to 100 per cent foreign equity in the sector.\(^2\)

Notifying the decision, taken by the Cabinet Committee on Economic Affairs (CCEA) in November, 2013, the department of industrial policy and promotion (DIPP) under the ministry of commerce and industry stated 100 per cent foreign direct investment (FDI) would be allowed in both Greenfield (new) and Brownfield (existing) segments. As earlier, FDI in Brownfield will be subject to approval by the Foreign Investment Promotion Board (FIPB). However, as a rider, DIPP said a ‘non-compete clause’ would not be allowed except in special circumstances with the approval of FIPB. There had been speculation that any takeover or sale agreement would be forbidden from having such a clause. While both the health and commerce & industry ministries had proposed more restrictions for new entrants into the sector, the finance ministry felt putting various riders on new investment would hurt the flow of foreign exchange. FDI in the sector grew 8.6 per cent to $1.08 billion (Rs. 6,750 crore) during April-October of the current financial year over the same period last year. The commerce and industry ministry had suggested lowering the FDI cap to 49 per cent in the brownfield segment, keeping in mind the affordability of medicines and takeovers of domestic drug making companies by multinational giants.

\(^2\)Definition: A form of foreign direct investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up. [http://www.investopedia.com/terms/b/brownfield.asp](http://www.investopedia.com/terms/b/brownfield.asp) (accessed on 12/03/14)

Commerce and Industry Minister Anand Sharma had felt the present FDI policy in the sector had not yielded tangible benefits. He said investments in new areas had not displayed value addition in terms of additional infrastructure or the research and development segment. While, FDI in brownfield investment had resulted in acquisition of domestic manufacturers by multinationals. It was also decided the CCI Act would not be amended and until such time another mechanism was worked out, all FDI proposals in existing companies would go to FIPB even though the committee had recommended on giving more teeth to CCI. Even a finance ministry committee, headed by economic affairs secretary Arvind Mayaram, had suggested government control on proposals seeking to invest beyond 49 per cent. To look at the situation in the past year itself, the government has cleared as many as seven investment proposals in existing domestic drug manufacturing units. These included those of Singapore’s GlaxoSmithKline, USA’s Mylan, Mauritius-based Castleton Investment, Mumbai-based Ferring Therapeutics and Hyderabad-based Verdant Life Sciences.

CONCLUSION

After one of author is close family members had to undergo an angioplasty, old society watchman expressed that he felt good that we could save him by affording so. He also voiced the plight that he underwent the agony of losing his own close family member for not being able to put up with the expense of the treatment. ……… About 65% of Indians belong to this category.24

Though the objective of de-regularization and further introducing 100% FDI in pharmaceutical industry in India was general welfare and increased availability of essential drugs to the masses who are underprivileged and majority of population belonging to weaker economic strata, it is observed that the Pharmaceutical Industry in India is turning more of Oligopolistic in nature, with MNCs having the liberty to invest for better exploiting the Indian market with an eye for pharmaceutical industry has taken a backseat in due course of time. The author is of the opinion that the wellbeing and affordability of drugs is out of the reach of majority of population. This is primarily a result of continued 100% FDI policy in Pharma Industry and though the employment opportunity in the sector has considerably seen an upward trend, so has the drug prices of all the medicines, let alone the lifesaving drugs. The patient suffering from ailments also suffer because overpowering investors in the sector in India who substantiate the rising prices with the explanation of the same attributed to adequate investments in research and soaring laboratory costs to develop these drugs and the costs of improvement in the quality of drugs. Though the medicines are formulated once and not much change in the combinations or formulations happen intermittently, the rising costs of medicines become a distant dream for lower economic section in terms of affordability of the drugs as they live their life struggling to meet the ends.

To add to the woes, the acquisition of local market players by the MNCs have also elevated the valuation of companies who prefer being acquired in due course of time rather than sweat it out for welfare of the masses requiring these drugs. Once these Indian manufacturers of generic medicines are acquired, the MNCs with strong financial capabilities exploit the market for profitability and use it as a cash-cow irrespective of the humanitarian welfare grounds for which these companies were established, having their interest on Earning Per Share(EPS) rather than focus on providing low cost life-saving medication.

The Indian Pharmaceutical industry is indeed in need of positive reforms and checks for restriction of soaring drug prices. The authorities cannot turn their eyes from duties and accountability for fair and justified drug prices in our developing economy just because of incapability in terms of control measures which the authorities have exhibited over the omnipresent indifference to the generic medicines as well as compulsory licensing viz-a-viz acquisitions in the sector marred by Capital and technological know-how for effective low cost production and distribution of essential lifesaving drugs.

The author strongly believes that current situation calls for better regulation and advocates for a framework to promote healthy competition with a view to benefitting effects on mounting need for regulated and fair priced essential drugs which have been required by the masses in ours developing economy. It also must aim at restraining the monopolistic situation emerging because of acquisitions of Indian pharmaceutical manufacturers at a very high value illustrated above to dominate the market, which is uncalled for. Given the vulnerability of Indian drug manufacturers at the dispense of overshadowing MNCs using 100% FDI in pharmaceutical industry to their full and lop-sided advantage, austere measures from regulators are envisaged to help the local companies foster culture of manufacturing low cost generic lifesaving and essential drugs for benefit of the end users pertaining to weaker economic sections of Indian economy. If one looks at the gain verses loss in FDI, between 2000 and 2010, Indian retail attracted about $1.8 billion in foreign direct investment, representing a very small 1.5% of total investment flow into India.25 It’s high time we stopped running for the carrot of investment dangling in front of us and get it at our own terms and condition, one of them being reduction in the prices of drugs.

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CAPITAL MARKET REFORMS: A CRITICAL EVALUATION

R. Vasudevan

ABSTRACT

Capital market is vital for the development and strength of economy. A strong and vibrant capital market assists corporate world initiatives, finance and exploration of new processes and instruments facilitates management of financial risk. Retail investor is the backbone of the capital market. However, with the expansion of the capital market, scams and anomalies, also multiplies. It ultimately leads to the dilution of the faith of the small investor, mutual funds, pension funds, Foreign Institutional Investor and insurance companies in the capital. Therefore, sustainable and pragmatic development of capital market has been essential. Understanding the need of the hour Government of India had initiated certain steps towards rebuild the volume of activities of the investor in the capital market. These are popularly known as capital market reforms. This includes educating capital market participates regarding their rights and duties for proper functioning of capital market. After a decade of these reforms, the questions are whether the faith of the investor had built up again in the market or not? Is the investor satisfied with these reforms? In this regard, we are trying to explore the answer of these questions.

INTRODUCTION

Capital market is vital for the development and strength of economy. A strong and vibrant capital market assists corporate world initiatives, finance and exploration of new processes and instruments facilitates management of financial risk. Investor i.e. individual investor, mutual funds, Foreign Institutional Investor and insurance companies place their money in various instruments of capital market. They are the soul of the capital market. An investor is very much needed because he is the major (rather the only) source of providing risk capital. As portfolio manager fill their baskets based on subjective evaluation of scrip and FIIs are busy in pocketing profit by only investing in profitable companies. Hence, none of them is interested in injecting much-needed risk capital. Thus, the task is only left to retail investors. With the globalization of economy, scams and anomalies are also multiplies. After various frauds in related to security market (like 1992 scam of Harshad Mehta, JVG scam etc.) the level of investment volume and number of investors is continuously declining due to the following reasons:

- Whenever any retail investor faces an institutional failure, he does not get help from any quarter and has to accept it as a bad luck.
- The scams remain under investigation with no concrete steps taken against default companies.
- Regulators only highlight the value addition of new intermediaries, new instruments and new system of trading but nobody discloses inherent risk.

Therefore, in a global environment, capital market regulator assumes more significance and regulator has to be dynamic and responsive to changes. There is often no single regulatory approach to an issue. Several instruments may bring desired results. The most important issue kept in mind is investor’s interest. Regulation is not a static and it is very dynamic one. Capital market is a fulcrum consisting of investor, intermediaries, companies, self-regulatory organization (SROs), exchange facilitators and regulators. Therefore, regulators fine-tune their policies towards encouraging and protecting investors. The prospect of any market is investor’s confidence. An informed investor always contributes to the orderly development of market. Regulatory organization should empower investor and enable them to make informed decisions in the capital market. One of the big challenges is to adopt regulatory and supervisory approaches to an environment of continuous change. Information technology has already replaced centuries old floor based open-out-cry system (Black board system). It results improved liquidity, elimination of dealers, reduced transaction costs and better price discovery. Corporate governance has engaged the attention of regulators, adoption of internationally accepted accounting standards will improve corporate governance. Several capital reforms are listed and explained in the following section.

OBJECTIVES OF THE STUDY

- To study the rights of stock market investors prescribed by the SEBI.
- To study the primary market reforms by the SEBI.
- To study secondary market reforms by the SEBI.
- To study SEBI Regulations for stockbrokers and issues.
- To study the instruments available to SEBI to protect safety and integrity of the stock market.

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METHODOLOGY

The present study is conducted depending on both primary and secondary sources of information. The survey method is selected for collecting primary data a sample of retail investors who are trading in recognized stock exchanges are taken. A well-structured questionnaire is supplied to investor and they are personally interviewed to share their experiences. The secondary data was collected from books, magazines, journals, reports of SEBI and RBI etc.

PRIMARY MARKET REFORMS

For the fulfillment of the basic task of securities, market to help in process of capital formation in the economy, this can only be possible by series of systematic measures, which would build their confidence in the systems and processes and protect their interest fully. The rising of capital issues were controlled by the office of the controller of capital issues (CCI) established under the capital issues control Act-1947. The Capital Issues Control Act-1947, repealed office of the controller of capital issues abolished and initial share pricing decontrolled. In 1991-92, Finance Minter announced the repeal of the act and transfer of powers from CCI to SEBI from control to disclosure based regulation. The SEBI, the capital market regulator, established in 1992, the primary function of SEBI is to regulate the capital market and protect the interest of the investors. The other important functions of SEBI are:

- Regulating the business in stock exchanges and any other securities markets.
- Registering and regulating the working of collective investment schemes, including mutual funds.
- Prohibiting fraudulent and unfair trade practices relating to securities markets.

Therefore, SEBI put some guidelines they are:

- **Disclosure and Investor Protection (DIP) guidelines**: As per this regulation all, the information pertaining to and available with an issuer is provided so as the investor takes an informed decision whether to invest or not to invest.

- **Eligibility Criteria for issuers (DIP-2000)**: Companies eligible to make an Issue can decide on their standard denomination and price of a security. Some parameters that need to be in offer documents are minimum holding by promoters, size of public issue, issue expenses, information disclosure and advertisement etc.

- **Transparency**: SEBI makes available all the offer documents filed with it on its website and through process release. Companies are invited from the public within 21 days of filing.

- **Free Pricing of Securities**: issuer is free to determine the level of security price. The process of Book-building helps discover price and assist small investor to take an investment decision.

- **Number of Financial Instruments**: issuer would like to have an optimum capital structure that reduces cost of capital. Today Indian capital market consists of almost all financial products available in most of the developed capital market, thus the choice to both issuer and investor has become wider.

- **Issue process**: Following process is used in the Indian capital market:
  - **Public Issue**: An invitation by a company to public to subscribe to the securities offered through prospects.
  - **Right Issue**: Issue of capital under Sec-I (81) of Companies act 1956 to be offered to existing shareholders.
  - **Offer for Sale**: It refers to securities by existing shareholder of a company to the public for subscription.
  - **Book building**: It refers to a process of ascertaining demand for and price of securities through bids, before the actual issue. Book building process is mandatory when the company does not have record of accomplishment for three out of preceding five years. 60% allotment to qualified institutional buyers is mandatory under the book building process.
  - **Compulsory Demat**: All Initial public offerings will be compulsory traded in dematerialized form. However, the investors have been allowed to exercise option of either subscribing to securities in its physical or dematerialized form.
  - **Employee Stock Option**: Means option given to the whole time employee of a company right to purchase or subscribe securities at a future date.
  - **Buy-back**: Section 77 (A) companies act and SEBI regulation are allowed companies to buy back of share to enhance the wealth of shareholder.

- **Prohibiting insider trading** in securities, with the imposition of monetary penalties, on erring market intermediaries.
Foreign Institutional Investors are allowed to invest in Indian capital markets after registration with the SEBI.

Indian companies permitted to access international capital markets through Euro issues.

The National stock exchanges, (NSE) with nationwide stock trading and electronic display, clearing and settlement facilities, established several regional stock exchanges change over from floor based grading to screen based trading.

Private Mutual Funds permitted.

The practice of making preferential allotment of shares at prices unrelated to the prevailing market prices stopped and fresh guidelines are issued by SEBI.

Badla System has been abolished.

A system of rolling settlements introduced.

The SEBI (credit rating Agencies) Regulations, 1999 issued for regulating new credit rating agencies as well as introducing a code of conduct for all credit rating agencies operating in India.

SEBI EFFORTS TOWARDS INVESTORS’ EDUCATION

It has launched intensive investor education exercises.

Help investor in redressal of complaints.

Disseminates information through its websites.

Published number of booklets on policy developments for educating the investors

It distributed booklets titled “A quick reference guide for investor”.

Issued a series of advertisements/public issues in national as well as regional newspapers to educate and caution the investor about the risks associated with the collective investment schemes.

SEBI registered investor associations organized seminars for educating investors on various aspects relating to market. In the reform process, it is clearly defined the various authorities that will be accountable for and will be redressing various kinds of the grievances. Some other steps for investors’ grievances redressed are:

- Investor Grievances Cell.
- Investor Protection Fund.
- Investor Service Fund.
- Complaints with consumer’s disputes redressal forums suits in the court of law.

Investor empowerment: timely available of quality and reliable information increases confidence of the investor. Over the past one decade, many regulatory requirements have been imposed on issuers to disclose relevant information to public. Thus, investor’s empowerment has become possible.

Transparency: market transparency refers to the ability of market participants to observe information about the trading process. Information can include prices volumes, sources of order, identification of counter party to trade etc.

Mutual Funds: the period between 1987-1992 witnessed the broadening of the base of the industry by the entry of mutual funds sponsored by nationalized banks and public financial institutions. SEBI has been empowered to regulate mutual funds. The SEBI (Mutual Fund) notified regulation in the year 1993, which permitted entry of private mutual funds into the industry, the regulations 1996 cast greater responsibilities on trustees.

SECONDARY MARKET REFORMS

Several reforms have been introduced in stock exchange administration, security trading, settlement, delivery V/s Payment, security transfer, trading in derivatives, investor protection fund etc. are explained in the following paragraphs.
Stock Exchanges: Membership of governing boards of stock exchanges was changed to include 50% outside (non-broker) representatives. SEBI has constituted a group to review and examine the present structure of stock exchanges and examine the legal and financial issues involved in demutualizing stock exchanges.

Depth and Breadth in the Market: India has a unique distinction of having highest number of companies listed on the stock exchanges. However, all companies’ shares are not traded. Policy makers have to explore new options to increase depths and breadth in the Indian stock exchanges.

Dematerialization: Power was granted to SEBI to register and regulate depositories and custodians through an amendment to SEBI Act in 1995. There has been substantial progress in dematerialization. Number of companies available for demat with NSDL has increased from 23 in 1997 to 4172 in 2002.

Institutionalization: Individual investors dominated Indian capital market until early part of the 1990’s. Earlier institutional investor like LIC, GIC, DFI, banks etc. used to take minor role, SEBI permitted private funds, Non-resident Indians, NBFCs and overseas corporate bodies to trade in securities. Of the above-mentioned only three classes of investors are very active, individuals, mutual funds and FIIs.

Development of Financial Infrastructure: It involves development of informed investor class, legal and regulatory environment, institutional investors, world class security trading, payment, and settlement systems. It also includes promoting investor associations, SROs, setting up of depository’s surveillance system. As another step towards this SEBI has introduced new financial instruments (derivatives).

Derivatives: These can play a vital role in promoting market efficiency through better price discovery and risk transfer. SEBI granted approval to NSE and BSE to start trading in index futures contract in April 2000 and May 2000 respectively. SEBI also approved the proposal of NSE and BSE to start trading in index options contracts in June 2001.

Corporate Governance: SEBI has introduced the corporate governance code for listed companies and for the companies, which enter the market now through listing agreement. ICAI has issued standards for consideration of accounts.

SEBI REGULATION FOR STOCK BROKERS

SEBI act 1992 issued regulation for stockbrokers in India:

Different Nomenclature for the same function:
- Stockbroker applies as per regulation 3 as member.
- Trading member derivatives Regulation 2 (inserted in 2000).

Need for Minimum educational qualification:
- Regulation 3 every stockbroker of an exchange can apply for grant of SEBI registration. Different criteria but no qualification.
- No qualification prescribed for registration as trading member, clearing member, self-clearing member 16A (1) and (2).
- To make the system to stand of its own qualification required.

Time limit to process the applications:
- Regulation 3 stock exchanges to forward application within 30 days to SEBI.
- No time limit for SEBI to accept or reject.
- Only time limit is refusal to be communicated within 30 days of decision to reject.

Daily marking-to-Market: Regulation 16 © 3 and 4 which require the clearing and self-clearing members- net worth of at least Rs. 50 lacs or 100 lacs.

Time limit for SEBI orders in case of default by stockbrokers: Regulation 25 default by a stockbroker dealt under enquiry and penalty regulations. No time limit for SEBI to pass orders.

Clarify the issues leading to conflict of interest: in the event of a conflict interest, the broker shall not consider clients’ interest inferior to his own. SEBI needs to clarify the sale, purchase, advice by the brokers that results in conflict.
• What constitutes reasonable ground in case of investment advice? Paragraph 7 of schedule II that deals with investment advice by brokers is vague enough confusion as to what constitute a reasonable ground for believing that the recommendation is suitable for such client upon the basis of the facts.

• Paragraph 7(A) of schedule 11 deals with investment advice with regard to derivatives market.

• Time limit for sale of membership cards by brokers part XI, paragraph 1(2) of schedule IV prescribes that the validity of prior approval for sale of membership would be 6 months from the date of issue of such approval by SEBI.

• Voluntary surrender of membership of the exchange: No provisions and regulations to deal with voluntary surrender of SEBI registration of stockbrokers. No time limit for SEBI to communicate.

• Review of SEBI regulation: No validity period for SEBI registration (of Stockbrokers), should review once in 5 years.

CONCLUSIONS

• Security market is in open economy.
• Physical mode abolished.
• More awareness campaigns need to be launched in smaller towns.
• Strict monitoring of broker actions and heavy penalties to defaulting parties.
• The screen based trading, rolling settlements, banning of badla, introduction of derivatives products have necessitated the introduction of the systems that can take care of these developments.
• SEBI has played and continues to play a vital role.
• There are some legal issues that need to addressed by the SEBI will enable it to become a pro-active and efficient regulator.
• More seminars on derivatives, futures, and option and investor awareness should be conducted by SEBI.
• It is our opinion that transparent regulatory framework can be evolved only when the regulator continuously interacts with all the market participants.
• SEBI has to be alert to the developments in all the spheres not only in India but also in the whole world to evolve efficient and transparent regulations.

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IMPLICATIONS OF CULTURE ON Mergers AND Acquisitions IN ORGANISATIONS

Hiral Raval32 Prajakta Pande33 Dr. Ravinder Kaur34 Dr. Jaya Chittranshi35

ABSTRACT
Organizational culture is a system of shared values and beliefs, which provide guidelines and boundaries within which the members have to function. It is an invisible yet powerful means of binding the workforce. Through this paper, we have attempted to review the role of culture in the success or the failure of Mergers and Acquisitions. The focus of this paper is to study the implications of cultural differences and how these influences organisations. Mergers and Acquisitions are strategic activities, which lead to changes in various facets of the organisation. Since it involves restructuring at a large scale, it is necessary to understand how the organization responds to it in every aspect. It has to be dealt with in an extremely sensitive manner and thus efficient communication is the key to achieving success.

KEYWORDS
Mergers and Acquisitions, M&A, Organizational Culture, Efficient Communication etc.

INTRODUCTION

Culture was predominantly conceived as a sociological concept but for the first time in early 1940s and 50s it began to be linked with economic development. Then the interest began to slack during the 60s and 70s eventually revived again in the 80s when it was looked upon as an explanatory variable for business purposes.

In the eyes of the law, a company is an artificial person. Like a person, each company also has its own unique set of characteristics, which is nothing but the company’s culture. Culture is a very broad term, right from the way the day to day functions of the company are undertaken to the way anomalies are handled, the leadership, the way employees are expected to conduct themselves, the value system of the company, all come under the umbrella of culture. In simpler terms, it can be called “a way of life” in an organization.

Kleppesetto (1993) has defined culture as “constantly on going attempt of the collective to define itself and its situation” making it a dynamic concept as opposed to the widely accepted definition given by Hofstede (1980) which categorised culture as “a collective mental programming”. Culture is a phenomenon that is homogeneous throughout an organization. It is the way the employees perceive the organization and the way they connect to the values of the organization and thus culture can be understood as a collective phenomenon and not an individualistic one; integrating two different cultures and managing them effectively is a critical task that every human resource manager needs to do with an objective of succeeding in managing a newly merged organization.

Initially Mergers and Acquisitions were undertaken to maintain monopoly in the market and make profits by avoiding competition. The focus then shifted to vertical integration in order to achieve technical gains, avoid dependence on other corporations for raw materials and to consolidate sales and distribution channels. In recent times, the concept of M&A has become a trend due to globalization of markets, deregulation in economies and increasing threats of competition.

Mergers and Acquisitions have become an increasingly prevalent strategy for achieving corporate growth and diversification. They have long been an important component of corporate strategy and an alternative for strategic growth in the industry. In a given scenario M&A seem to be, a generic process resembling any form of organization restructuring, but it is an implicit fact that the implications of M&A will be experienced since no two organizations are the same. As a valuable contributor, culture plays a crucial role in the success of Mergers and Acquisitions and thus is an important factor to be considered. To work towards a higher level of integration, the concept of culture needs to be understood and accordingly strategies need to be framed. It is imperative understand the role of culture and how it plays an important part in the way the employees react to the ongoing change closely related to their work environment, organizational structure, vision, mission and expectations.

With an understanding of what culture is and what are the implications on organizational restructuring in the form of mergers and acquisitions, it needs to be underlined that culture is a responsibility and determines the goals and beliefs of an organization.

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OBJECTIVES

- To study how culture affects an organization during Mergers and Acquisitions.
- To understand the challenges faced by an organization during this period of transition.

DISCUSSION

Mergers and Acquisitions are two different concepts. A merger is a phenomena wherein two equal sized firms come together to reduce market competition, increase their market share and reap the benefits of competitive advantage as a big unit. Whereas, an acquisition is when, one company takes over the control of another firm, usually smaller in size that its own.

The underlying reason behind every merger or acquisition is to create a mutually beneficial, symbiotic relationship between both the companies. Then not all the companies can achieve their happily ever after. After extensive research, it has been found that one of the major reasons for it is cultural incompatibility. Culture is a complex phenomenon, which is difficult to define, but for the understanding of the topic, it can be simply put as implicit shared values and beliefs that influence employee Behaviour in an organization. It constitutes of variables such as organizational structure (hierarchy followed, communication channels), leadership, standard operating procedures and expected code of conduct.

Like any relationship, it is very important for the cultures of both the companies to either unify or co-exist in perfect harmony. The latter hardly ever happens. Often one becomes dominant over the other leading to employees getting frustrated, which invariably affects their productivity and if left unchecked leads to attrition.

According to a survey conducted in 2014, the following were identified as the main difficulties that were faced by companies during mergers & acquisition (Stafford, Miles 2013):

- Cultural Incompatibility,
- Following a new process of working,
- Different Performance Management Systems,
- Power Play.

Due to these and many other reasons, there is a lot of resistance from the employees. The onus of motivating and retaining the employees in such times majorly lies with the human resource managers.

They are responsible for designing a new and acceptable severance packages for the employees who leave or have become redundant in the organization. It is challenging, as people who were paid according to different schemes have to be brought on the same level especially in case of expatriates and local employees.

Exhaustive training and rebranding exercises are undertaken as different organizational structures merge. The key to having a smooth transition is communication. The way the employees perceive the change mostly depends on the way it is communicated. Effective communication coupled with the following tools can efficiently battle the negative aspects of the process.

Firstly, one needs to define what the objectives of the cultural integration are. Broadly, culture refers to the manner in which the work is done right from the top of the organizational pyramid to the bottom. It defines the acceptable behavioural norms and the operating mechanism of the company.

Then ascertain the kind of culture that needs to be established. The dilemma here is, whether the culture of the dominant stakeholder should prevail or should it be a blend of the best of both the worlds (Aburge, 2014).

At this point, it is very important to explicitly describe what the new culture would be not just in terms of adjectives like “inclusive”, “co-operative”, “obliging” and “accommodating” but by specifying the expected behaviours. The next step would be to identify gaps and create a strategy to bridge them.

(Stahl and Voigt, 2005) have stated that the risks involved, the costs incurred and difficulties faced during a cross cultural deal is directly proportional to the difference between the cultures of the organizations, groups or individuals. During mergers and acquisition these differences end up leading to hostility, confusion and suspicion between the employees of the both the merging companies and turns out to be one of the main reasons behind the high rate of failures of Mergers & Acquisition. In the past, we have witnessed how mergers between Air India and Indian Airlines or Oracle and Sun had resulted in major HR issues for the merged entity. In case of the Oracle and Sun merger, many notable employees left the organization.
During International mergers and acquisition, the problem becomes greater as now it is not just about the cultures of two companies but also the cultures of two different countries, which might also have linguistic barriers as well as differences in the laws of both the lands. Thus, multinational mergers are considered more risky as compared to domestic ones.

(Hofstede, G. 1980) The cultural difference that is measured with respect to differences in work ethics, business practices or styles of management has an impact on various processes such as the organizational learning beyond cultural barriers, perceived ability to handle foreign operations, endurance of the global alliance and the effective cross cultural adjustments of the expatriate managers in case of international mergers and acquisition.

Thus, the relationship between M&A and cultural differences is more complex than it is illustrated in most of the literature that was surveyed.

One of the facets that have not been given its due importance is communication. In order to increase transparency in the process of restructuring efficient communication needs to be emphasized. Clear communication is needed to pacify employee insecurities, which may arise in the due course of a merger or an acquisition.

After all the hard work and turmoil, finally acculturation takes place. (Larsson and Lubatkin 2001) define acculturation as the result of a cooperative process, wherein the beliefs, values and assumptions of two different companies form a joint culture. It is achieved by developing mutual consideration and shared interests.

A different school of thought called the “social constructivists” believe that it is not the cultural differences that create issues during M&A but in fact it is the way in which cultural boundaries are drawn and managed.

RECOMMENDATIONS

Human capital is the most critical resource that is integrated during mergers and acquisition, because the success of the whole endeavour depends on how the workforce takes it forward. Hence, it becomes imperative to handle them with utmost care. We have already discussed how conflicting cultures can lead to failure of an M&A. But we must understand that cultural difference is not the only qualitative factor that contributes toward the failure of the M&A, the acquirer’s approach to the whole process, degree of autonomy given to the acquired firm and the tool used during integration are also major contributors towards the failure of M&A. It must be considered that during this development the employees find themselves in a vulnerable spot since they are under the constant threat of uncertainty. In such a scenario, sensitivity towards the whole process is of utmost importance. Right from how the news is communicated to how delicate matters like “the redundant people in the organization”, are handled. Communication should be efficient such that it will pacify all the insecurities that the employees might have and have a positive impact on the overall employee psychology.

Transparency becomes the pillar on which the burden of efficient communication lies. Since this fosters employee faith towards the organization. A system of transparent communication, policies and framework is thus needed to facilitate smooth transformation. Some of the practices, which can be adopted, are open house meetings, free flow of communication, newsletters, notice boards and healthy discussions amongst the different levels of management. Innovative practices can be undertaken to make the transition smooth. The best example for this is merger of Tech Mahindra and Satyam. Post the merger of a combined workforce of 84000 employees had to be managed, 36000 of which belonged to Satyam. Integrating, such a large force under a single HR policy was going to be intimidating task. According to C.P. Gurnani, MD and CEO, Tech Mahindra, after the Satyam acquisition the company maintained two separate HR policies instead of having a common one at the very onset.

Thus, they took a novel step in integrating the strategies of the two companies. According to reports, the individuals who had quit after the merger had returned to the organization due to these constructive strategies. The implementation of these strategies offers dual benefits to the organization:

- Employees are accustomed to working in a set organizational culture.
- They get an exposure of working in and around another culture, which would bring additional value to the company.

In addition, if tackled smartly, these cultural differences can become assets. It gives a company an opportunity to rectify all the loopholes and shortcomings of their cultures. It gives them a clean slate, an opportunity to start from scratch.

CONCLUSION AND LIMITATIONS OF STUDY

Mergers and Acquisitions require huge investments of time, efforts and finances. Thus, it is imperative to ensure its success. One of the major factors that act as a hindrance in this process is cultural difference. Cultural differences can lead to widespread unrest due to all the reasons discussed in the paper. The key to curbing this menace is efficient communication right from the
announcement of the merger or acquisition to the final integration strategy. Transparency, sensitivity, and innovation are the three wheels, which ensure the smooth flow of the process. It must be remembered that cultural difference is not the whole and sole qualitative factor that affects M&A negatively. Other factors like the acquirer’s approach to the whole process, degree of autonomy given to the acquired firm and the various tools used during integration also play a substantial role.

Since culture is a complex phenomenon, it must be understood completely with respect to the two organizations coming together. A consolidated understanding of organization culture of parties involved in the process of Merger and Acquisition will help in smooth restructuring and thus lead to success of the process. It should also be agreed upon that with the merging of two organizations two cultures come together to form an all-encompassing culture, better cultural understanding and a wider scope of success. Though the limitation of the study restricted our scope to explore the other aspects of change experienced due to M&A we managed to clearly draw out the implications of how a cultural change needs to be handled and how it needs to be managed when different organizations come together.

The study revolves around analyzing the impact of culture of an organization due to Mergers and Acquisitions, and does not take into consideration the other factors that are affected due to the restructuring process such as attrition rate, retention of employees and financial position. Since culture is a very broad term and is very complex to understand as a static phenomenon, hence it become difficult to analyses every aspect of cultural change that take place due to Mergers and Acquisitions.

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EVALUATING THE FINANCIAL HEALTH OF CENTRAL PUBLIC SECTOR ENTERPRISES (CPSE) IN INDIA THROUGH ALTMAN'S Z SCORE MODEL: A CASE STUDY OF CEMENT CORPORATION OF INDIA LIMITED (CCI)

Dr. Mohd. Yameen36 Dr. Mohd. Ajmal37

ABSTRACT

Since the time of independence, the contribution of the Central Public Sector Enterprises (CPSEs) in Indian economy is very significant and these public sector undertakings are the backbone of the nation. Edward I Altman, Professor of Finance at New York University developed “Z-score Model” to predict the financial health of the business firms or industries. In this model, he considered five ratios, assigned a weight for each ratio, and produced a single number, which indicates the financial health of the business concerns. The present paper is an attempt to analyze the financial performance and efficiency of selected CPSEs and evaluate the financial health by using the Altman’s Z score. In the present study an attempt has been made to predict the financial health of Cement Corporation of India Limited from 2005-06 to 2014-15 for ten years using Altman’s Z-Score model. From the analysis point of view, it is revealed that CCI Ltd. has been in the condition of financial distress and fall in bankrupt zone during 2006-07 to 2014-15, the company is prone to bankruptcy in coming years.

KEYWORDS

Cement Corporation of India Limited, Altman Z Score Model, Financial performance, Central Public Sector Enterprises, Financial Distress etc.

INTRODUCTION

The Central Public Sector Enterprises (CPSEs) have been a strategic lever for Indian economic development in both pre-independence and post-independence era. The government uses these public enterprises as an instrument for enabling the country to attain self-reliant economic growth and over the years, these enterprises have played an eminent role in the sustainable growth of Indian economy (Jain, et al 2014). Presently, there are 277 Central Public Sector Enterprises (CPSEs) under the administrative control of various Ministries / Departments as on 31.3.2013. Out these 277 CPSEs, 229 were in operation and 48 CPSEs have yet to commence business. Out of 229 operating CPSEs as many as 149 CPSEs showed profit during 2012-13, 79 CPSEs incurred losses during the year and one CPSE has shown No Profit / No Loss (DPE, 2014). The Indian cement industry occupies a position of predominance not only as one of the basic infrastructure industries for development but also because it is the 2nd largest cement industry in the World. The Indian cement industry is the second largest producer of cement in the world just behind China and ahead of the United States and Japan. In addition, the cement industry is an important contributor to the revenue collected by both the Central and the State Governments through excise and sales taxes (Kumar & Bansal, 2013). The Indian cement industry comprises of 183 large cement plants and more than 360 mini cement plants. Large producers contribute about 97 per cent to the installed capacity while mini plants account for the rest. Among these, 98 per cent of the capacity is in the private sector and the rest in public sector (Ministry of Commerce and Industry, 2013).

The sound performance of any industry reflects as to how effectively and efficiently resources are being utilized. Performance is an indicator for the management accomplishing the goals that are being set for the enterprise. It is the measure of a degree to which an organization fulfills its purpose and tries to achieve its objectives and goals. Therefore, Financial Performance is the key tool to measure the overall activities of a company.

REVIEW OF LITERATURE

Altman (1968) employed multiple discriminate analyses to find out a bankruptcy prediction model. A sample of total 66 companies were selected from which 33 publicly trading manufacturing bankrupt companies selected between 1946 and 1965 and 33 non bankrupt firms were selected on a random basis. The result provided model called Z-Score that correctly classified 94% of the bankrupt companies and 97% of the non-bankrupt companies a year prior to bankruptcy.

Selvam et al. (2004) measured the financial position of India Cements Ltd. by using Z score analysis for a period of four years from 1998 to 2001. The study exhibited that the financial performance of India Cements was never in excessively healthy zone during the study period except in 2002. They also suggested that the problem of below trading should be attended and the

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company must set reachable sales target. Further, the capital structure should be reformed in such a manner that standard debt-equity ratio is achieved to avoid any future disappointment.

Srinivasan, et al. (2011) attempted an empirical study on Dimension of Financial Performance of Cement Units in South India by applying Z score analysis from 2005 to 2009. The study was based on the secondary data of fourteen south Indian cement companies. The findings of Z-score analysis revealed that two companies, Rain Commodities Ltd. and Zuari Cement Ltd. were rated as failure out of fourteen south Indian companies because of the excess debt and excess working capital that deteriorate the financial health.

Sheela & Kartikeyan (2012) analysed the financial health of Pharmaceutical industry with the help of Altman’s Z-score model with special reference to Cipla, Dr. Reddy and Ranbaxy companies. They found that the Cipla and Dr. Reddy were in too healthy zone while Ranbaxy company was found in a healthy zone.

Venkataraman et al. (2012) analyzed the financial performance and predict the risk of bankruptcy for selected cement companies from 2001to2010with the help of Z score model and financial ratios. The study revealed that liquidity, working capital turnover, efficiency and solvency position of the selected cement companies were not adequate. Further, it was also found from the Z-Score analysis that financial performance of KCP Ltd and Kesoram Industries Ltd was poor and Dalmia Bharat Ltd was at the verge of bankruptcy.

Sulphey & Nisa (2013) investigated the solvency position of 220 BSE listed companies in Small Cap Index using Z score model. The results revealed that a large number of companies were either in the ‘grey’ or ‘distress’ zones. Only 79 companies has been found in the safe zone whereas 117 companies were found in the grey zone and 24 in the distress zone.

Chandra & Selvaraj (2013) conducted a study to check the financial health of selected steel companies in India using Altman’s Z-score model. They concluded that the financial health of selected steel companies was not in grey zone and found that there has been no significant relationship between the size of the companies and Z-score value.

Palanivelu & Kavitha (2013) analyzed and compared the financial performances of Seven NSE listed steel Company. The researchers revealed from the analysis that the few companies has been found in healthy situation in few years otherwise, all the companies was found in unhealthy zone.

COMPANY PROFILE

Cement Corporation of India Limited (CCI) was incorporated as a Company wholly owned by Government of India on 18th January 1965 with the principal objective of achieving self-sufficiency in cement production. Implementing third five-year plan was a step to achieve that grand objective. The authorized and paid-up capital of the company as on 31.3.2015 was Rs. 900 crores and Rs. 811.41 crores, respectively. At present, CCI Ltd. is a multi-unit organization having ten units spread over eight states with a total annual installed capacity of 38.98 Lacs MT. The units are spread throughout the country from East (Bokajan in Assam) to West (Akaltura, Mandhar in Chhattisgarh and Nayagaon in Madhya Pradesh) and from North (Rajban in Himachal Pradesh and Charkhi Dadri in Haryana) to South (Kurkunta in Karnataka and Adilabad, Tandur in Andhra Pradesh), with one cement grinding unit in Delhi. (Ajmal, 2015). All Factories, Zonal Offices and Corporate Office at Delhi are inter-connected through Internet. In line with the advancement in cement technology, CCI Ltd. had been adopting the latest one with one million tons plants at Tandur and Nayagaon with a strong work-force of 907 employees (as on 31.03.2012) has always encouraged balanced regional growth with most of its factories located in underdeveloped/backward areas. CCI Ltd., has also been contributing to the development of areas around factories by adopting nearby villages and providing the basic facilities like school, health centre, drinking water etc., for maintaining the ecological balance. CCI Ltd., is launching massive tree plantation drives from time to time at all units and in surrounding areas (Profile of CCI Ltd., n.d). The total installed capacity of all the plants was 42.48 Lacs MT, which is less than 2% of total installed capacity of India. However, the installed cement capacity of three operating plants is 14.46 Lacs MT (Standing committee on Revival and restructuring of CCI Ltd., 2011).

Over the years, the mounting losses sharply eroded its net worth. By the middle of 1990s, the CCI Ltd. suffered accumulated losses to the tune of Rs. 527.16 crores. The collapse of the net worth sounded alarm bell to safeguard the very survival and commercial viability of the Corporation. It graduated from a loss making Corporation to a sick industrial undertaking. Therefore, it resulted in its reference to the BIFR under section 15(1) of CISA and was declared sick in August 1996.

The rehabilitation scheme sanctioned by the Hon’ble BIFR on 3 May 2006 suggested closure of seven unviable plants located at Mandhar, Kurkunta, Akaltura, Charkhi Dadri, Delhi Grinding Unit/Bhatinda Grinding unit, Nayagaon and Adilabad and sale of assets of those plants through Asset Sale Committee. The liabilities of the company were further reduced due to the waiver of interests, penalties and surcharge on the Government dues. The revival package also consisted of concessions from the Government, financial institutions, banks and creditors (Standing committee on Revival and restructuring of CCI Ltd., 2011).
OBJECTIVE OF THE STUDY

- To evaluate the efficiency of CCI Ltd.
- To examine the financial performance of CCI Ltd.
- To forecast the financial health and viability of the CCI Ltd.

METHODOLOGY OF THE STUDY

The present study is analytical in nature and based on secondary sources of data, which have been collected from various published annual reports of CCI Ltd. available on the official website of CCI Ltd. The period of the study is from 2005-06 to 2014-15 i.e. for 10 years. The data has been analyzed by using financial tools like ratio analysis and Altman’s Z score model. The study is related with the analysis of financial health of CCI Ltd. Altman’s Z-score model (1983) has been used to analyses the financial health of CCI Ltd.

THEORETICAL FRAMEWORK

Altman Z Score Model

Altman’s Z is one of the best-known, statistically derived predictive models used to forecast a firm’s impending bankruptcy. Edward Altman, a financial economist and professor at New York’s Stern School of Business, developed Altman’s Z-Score model in 1968. The Z-Score gained acceptance by auditors, management accountants, and database systems beginning in the mid-1980s (Hayes, Hodge & Hughes, 2010). The model has proven to be a dependable instrument in forecasting failure in a diverse mix of business entities. The Z score model is the first multivariate credit-scoring model. The model predicts the likelihood that a firm will go bankrupt by combining five financial ratios and market value measures to produce the Z-Score, which involves measuring how closely a firm resembles other firms that have filed for bankruptcy. This allows the user to classify firms as either distressed (high risk of bankruptcy) or non-distressed. It should be noted that the original Z-Score model was primarily for manufacturers (Aasen, 2011). Altman’s original Z-Score was based on a sample of 66 publicly held manufacturing companies. Half of the companies were distressed manufacturers that had filed for bankruptcy from 1946 through 1965, while the other half were randomly selected non-bankrupt companies from the same time. The asset size of the companies ranged from $1 million to $25 million (Altman, 2000).

The final discriminate function estimated by Altman (1968) is as follows:

\[ Z = 0.012 \cdot X_1 + 0.014 \cdot X_2 + 0.033 \cdot X_3 + 0.006 \cdot X_4 + 0.999 \cdot X_5 \]

Where,

- \( X_1 \) = Working capital/Total assets
- \( X_2 \) = Retained Earnings/Total assets
- \( X_3 \) = Earnings before interest and taxes/Total assets
- \( X_4 \) = Market value of equity/Book value of total liabilities
- \( X_5 \) = Sales/Total assets
- \( Z \) = Overall Index

The original Z-Score Model was based on the market value of the firm and was thus applicable only to publicly traded companies. In 1983, Altman emphasized that the Z-Score Model is a publicly traded firm model and ad hoc adjustments are not scientifically valid. Therefore, Altman in 1983 advocated a complete re-estimation of the model substituting the book value of equity for the market value in X4. Using the same data, Altman extracted the following revised Z’-Score Model. In the present study, we used the book value rather than the market value of equity. This model is appropriate for a firm, which is not publicly traded, CCI Ltd. is not a listed company, and thus the researcher used the revised model of Z score (1983).

\[ Z' = 0.717 \cdot X_1 + 0.847 \cdot X_2 + 3.107 \cdot X_3 + 0.420 \cdot X_4 + 0.998 \cdot X_5 \]

Where,

- \( X_1 \) = Working capital/Total assets
- \( X_2 \) = Retained Earnings/Total assets
- \( X_3 \) = Earnings before interest and taxes/Total assets
- \( X_4 \) = Book value of equity/Book value of total liabilities
- \( X_5 \) = Sales/Total assets
- \( Z' \) = Overall Index (Altman 2000).
INTERPRETATION OF VARIABLES USED IN ALTMAN Z SCORE

- **X1: Working Capital/Total Assets**: The working capital/total assets ratio is a measure of the net liquid assets of the firm relative to the total capitalization. A firm with consistent operating losses will often have shrinking current assets in relation to total assets.

- **X2: Retained earnings / Total assets**: The second ratio advocated by Altman (1968) is a (cumulative) profitability ratio. Interestingly, this is a “new” ratio that was proposed by Altman himself. Retained earnings are the account, which reports the total amount of reinvested earnings and/or losses of a firm over its entire life.

- **X3: Earnings Before Interest and Taxes/Total Assets**: This ratio illustrates the productivity of the company’s assets before tax or leverage factors are taken into consideration. Return on total assets appears to be particularly appropriate for predicting bankruptcies, since it has the highest weighting in each of the Z-Score models.

- **X4: Market Value of Equity/Book Value of Equity to Total Debt**: In private firms the stock is not being traded publicly, that is why the book value of equity has been calculated instead of calculating the market value.

- **X5: Sales / Total Assets**: The capital-turnover ratio is a standard financial ratio illustrating the sales generating ability of the firm’s assets. It is one measure of management’s capability in dealing with competitive conditions. Its unique relationship to other variables in the model, the Sales/Total assets ratio ranks second in its contribution to the overall discriminating ability of the model (Chouhan, Chandra & Goswami, 2014).

Table 1: Critical values of Altman’s Z Score Model (1983)

<table>
<thead>
<tr>
<th>Score</th>
<th>Zone</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1.23</td>
<td>Bankrupt</td>
<td>There is a high probability that the business will face financial distress in near future and the business may need desperate measures to survive in the market</td>
</tr>
<tr>
<td>1.23 to 2.90</td>
<td>Grey</td>
<td>The firm falls in the grey area that means there is less probability that the firm will face financial distress in the near future.</td>
</tr>
<tr>
<td>&gt; 2.90</td>
<td>Healthy</td>
<td>The business is financially sound and there is least probability that the firm will face financial distress</td>
</tr>
</tbody>
</table>

Sources: Altman 1983

ANALYSIS OF CCI LTD. USING ALTMAN Z SCORE MODEL

The Z score model propounded by Altman is one of the best-known statistically derived predictive model used to forecast a firm’s impending bankruptcy (Moyer, 2005). Edward Altman, a financial economist and professor at New York’s Stern School of Business, developed Altman’s Z (the Z-Score) in 1968. Altman’s Z-Score formula is a multivariate formula used to measure the financial health of a company and to diagnose the probability that a company will go bankrupt with in a two-year period. The Z-Score uses various accounting ratios and market-derived priced to predict the bankruptcy (Hayes, S. K, Hodge, K. A, Hughes, and L. W. 2010). Altman Z score has been used in various studies to predict financial health and bankruptcy of various firms (Morten, 2011; Hayes, Hodge and Hughes, 2010; Anjum, 2012; Chouhan, Chandra and Goswami, 2014; Pradhan, 2014).

CALCULATION OF ALTMAN Z SCORES OF CCI LTD

Table 2: Working Capital / Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Working Capital</th>
<th>Total Asset</th>
<th>X1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>-15615</td>
<td>168481</td>
<td>-0.09</td>
</tr>
<tr>
<td>2006-07</td>
<td>-8164</td>
<td>159685</td>
<td>-0.05</td>
</tr>
<tr>
<td>2007-08</td>
<td>-831</td>
<td>163776</td>
<td>-0.01</td>
</tr>
<tr>
<td>2008-09</td>
<td>4358</td>
<td>162628</td>
<td>0.03</td>
</tr>
<tr>
<td>2009-10</td>
<td>12975</td>
<td>164075</td>
<td>0.08</td>
</tr>
<tr>
<td>2010-11</td>
<td>6132</td>
<td>151450</td>
<td>0.04</td>
</tr>
<tr>
<td>2011-12</td>
<td>29967</td>
<td>154215</td>
<td>0.19</td>
</tr>
<tr>
<td>2012-13</td>
<td>30473</td>
<td>155512</td>
<td>0.20</td>
</tr>
<tr>
<td>2013-14</td>
<td>27377</td>
<td>152292</td>
<td>0.18</td>
</tr>
<tr>
<td>2014-15</td>
<td>29386</td>
<td>150505</td>
<td>0.20</td>
</tr>
</tbody>
</table>

Sources: Calculated from Annual Reports of CCI Ltd. from 2005-06 to 2014-15
The above ratio explained the level of liquid asset to the total assets of the company. From the table 2 it has been observed that the above ratio percentage is in mixed trend during the study period, showing that the company has lower ability to meet the current obligations. However, it increased considerably in four years of the study.

Table 3: Retained Earnings / Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Retained Earnings</th>
<th>Total Assets</th>
<th>X2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>0.00</td>
<td>168481</td>
<td>0.00</td>
</tr>
<tr>
<td>2006-07</td>
<td>0.00</td>
<td>159685</td>
<td>0.00</td>
</tr>
<tr>
<td>2007-08</td>
<td>0.00</td>
<td>163776</td>
<td>0.00</td>
</tr>
<tr>
<td>2008-09</td>
<td>0.00</td>
<td>162628</td>
<td>0.00</td>
</tr>
<tr>
<td>2009-10</td>
<td>0.00</td>
<td>164075</td>
<td>0.00</td>
</tr>
<tr>
<td>2010-11</td>
<td>0.00</td>
<td>151450</td>
<td>0.00</td>
</tr>
<tr>
<td>2011-12</td>
<td>0.00</td>
<td>154215</td>
<td>0.00</td>
</tr>
<tr>
<td>2012-13</td>
<td>0.00</td>
<td>155512</td>
<td>0.00</td>
</tr>
<tr>
<td>2013-14</td>
<td>0.00</td>
<td>152292</td>
<td>0.00</td>
</tr>
<tr>
<td>2014-15</td>
<td>0.00</td>
<td>150505</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Sources: Calculated from Annual Reports of CCI Ltd. from 2005-06 to 2014-15

The ratio indicates the ability of earning profit of a firm and so that the portion of profit reinvest in form of retained earnings. The CCI Ltd. maintains zero percent of retained earnings to total assets indicating the company is in poor position in terms of profitability aspect as well as near opportunity for investment if any.

Table 4: Earnings before Interest and Taxes/Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
<th>Total Assets</th>
<th>X3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>84359</td>
<td>168481</td>
<td>0.50</td>
</tr>
<tr>
<td>2006-07</td>
<td>19806</td>
<td>159685</td>
<td>0.12</td>
</tr>
<tr>
<td>2007-08</td>
<td>7590</td>
<td>163776</td>
<td>0.04</td>
</tr>
<tr>
<td>2008-09</td>
<td>9028</td>
<td>162628</td>
<td>0.05</td>
</tr>
<tr>
<td>2009-10</td>
<td>9027</td>
<td>164075</td>
<td>0.05</td>
</tr>
<tr>
<td>2010-11</td>
<td>6396</td>
<td>151450</td>
<td>0.04</td>
</tr>
<tr>
<td>2011-12</td>
<td>2854</td>
<td>154215</td>
<td>0.02</td>
</tr>
<tr>
<td>2012-13</td>
<td>1257</td>
<td>155512</td>
<td>0.01</td>
</tr>
<tr>
<td>2013-14</td>
<td>1915</td>
<td>152292</td>
<td>0.02</td>
</tr>
<tr>
<td>2014-15</td>
<td>4305</td>
<td>150505</td>
<td>0.03</td>
</tr>
</tbody>
</table>

Sources: Calculated from Annual Reports of CCI Ltd. from 2005-06 to 2014-15

The above ratio ROA indicates the firm’s ability to ensure earning capacity against its total assets. Average profitability of CCI Ltd., was 8.5% during the study period. It was clearly showed from table 4 that the highest ROA was 50 per cent in 2005-06, while in the remaining study year it was decreased and showed the poor return on total assets of the company and reached to 3 per cent in 2014-15.

Table 5: Book Value of Equity to Total Debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Book Value of Equity</th>
<th>Total Liabilities</th>
<th>X4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>44682</td>
<td>123799</td>
<td>0.36</td>
</tr>
<tr>
<td>2006-07</td>
<td>80609</td>
<td>79076</td>
<td>1.02</td>
</tr>
<tr>
<td>2007-08</td>
<td>81141</td>
<td>82635</td>
<td>0.98</td>
</tr>
<tr>
<td>2008-09</td>
<td>81141</td>
<td>81487</td>
<td>1.00</td>
</tr>
<tr>
<td>2009-10</td>
<td>81141</td>
<td>82934</td>
<td>0.98</td>
</tr>
<tr>
<td>2010-11</td>
<td>81141</td>
<td>70309</td>
<td>1.15</td>
</tr>
<tr>
<td>2011-12</td>
<td>76965</td>
<td>77250</td>
<td>1.00</td>
</tr>
<tr>
<td>2012-13</td>
<td>81141</td>
<td>74371</td>
<td>1.09</td>
</tr>
<tr>
<td>2013-14</td>
<td>81141</td>
<td>71151</td>
<td>1.14</td>
</tr>
<tr>
<td>2014-15</td>
<td>81141</td>
<td>69364</td>
<td>1.17</td>
</tr>
</tbody>
</table>

Sources: Calculated from Annual Reports of CCI Ltd. from 2005-06 to 2014-15
The above ratio indicates the proportion of owner’s capital to the long-term debt. In 2004-05 the company equity to debt ratio was 0.36 times which clearly reveals that CCI has been used more debt than equity but from 2006-07 the CCI Ltd. increased its equity to twice times from previous year and maintain the ratio to standard norms of 1:1 throughout the study period.

Table-6: Sales / Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Total Assets</th>
<th>X5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>19523</td>
<td>168481</td>
<td>0.12</td>
</tr>
<tr>
<td>2006-07</td>
<td>28424</td>
<td>159685</td>
<td>0.18</td>
</tr>
<tr>
<td>2007-08</td>
<td>29228</td>
<td>163776</td>
<td>0.18</td>
</tr>
<tr>
<td>2008-09</td>
<td>31948</td>
<td>162628</td>
<td>0.20</td>
</tr>
<tr>
<td>2009-10</td>
<td>33008</td>
<td>164075</td>
<td>0.20</td>
</tr>
<tr>
<td>2010-11</td>
<td>30203</td>
<td>151450</td>
<td>0.20</td>
</tr>
<tr>
<td>2011-12</td>
<td>33467</td>
<td>154215</td>
<td>0.22</td>
</tr>
<tr>
<td>2012-13</td>
<td>28735</td>
<td>155512</td>
<td>0.18</td>
</tr>
<tr>
<td>2013-14</td>
<td>32452</td>
<td>152292</td>
<td>0.21</td>
</tr>
<tr>
<td>2014-15</td>
<td>40410</td>
<td>150505</td>
<td>0.27</td>
</tr>
</tbody>
</table>

Sources: Calculated from Annual Reports of CCI Ltd. from 2005-06 to 2014-15

Total assets turnover ratio shows the efficiency of the companies in utilizing its assets to convert into sales. Table 6 shows a very low portion of sales to total assets and increasing trend during the study period depicting that CCI Ltd has not been able to convert its increase in the assets into the sales. The percentage of conversion stands at 2.7 per cent in 2015 for CCI Ltd.

Table 7: Z-Score

<table>
<thead>
<tr>
<th>Year</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>X5</th>
<th>Z score</th>
</tr>
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<tbody>
<tr>
<td>2005-06</td>
<td>-0.07</td>
<td>0</td>
<td>1.56</td>
<td>0.15</td>
<td>0.12</td>
<td>1.76</td>
</tr>
<tr>
<td>2006-07</td>
<td>-0.04</td>
<td>0</td>
<td>0.39</td>
<td>0.43</td>
<td>0.18</td>
<td>0.95</td>
</tr>
<tr>
<td>2007-08</td>
<td>0.00</td>
<td>0</td>
<td>0.14</td>
<td>0.41</td>
<td>0.18</td>
<td>0.73</td>
</tr>
<tr>
<td>2008-09</td>
<td>0.02</td>
<td>0</td>
<td>0.17</td>
<td>0.42</td>
<td>0.20</td>
<td>0.81</td>
</tr>
<tr>
<td>2009-10</td>
<td>0.06</td>
<td>0</td>
<td>0.17</td>
<td>0.41</td>
<td>0.20</td>
<td>0.84</td>
</tr>
<tr>
<td>2010-11</td>
<td>0.03</td>
<td>0</td>
<td>0.13</td>
<td>0.48</td>
<td>0.20</td>
<td>0.84</td>
</tr>
<tr>
<td>2011-12</td>
<td>0.14</td>
<td>0</td>
<td>0.06</td>
<td>0.42</td>
<td>0.22</td>
<td>0.83</td>
</tr>
<tr>
<td>2012-13</td>
<td>0.14</td>
<td>0</td>
<td>0.03</td>
<td>0.46</td>
<td>0.18</td>
<td>0.81</td>
</tr>
<tr>
<td>2013-14</td>
<td>0.13</td>
<td>0</td>
<td>0.04</td>
<td>0.48</td>
<td>0.21</td>
<td>0.86</td>
</tr>
<tr>
<td>2014-15</td>
<td>0.14</td>
<td>0</td>
<td>0.09</td>
<td>0.49</td>
<td>0.27</td>
<td>0.99</td>
</tr>
</tbody>
</table>

Sources: Calculated from Annual Reports of CCI Ltd. from 2005-06 to 2014-15

\[
Z = 0.717 \cdot X1 + 0.847 \cdot X2 + 3.107 \cdot X3 + 0.420 \cdot X4 + 0.998 \cdot X5
\]

Where,
- Z = Discriminate score
- X1 = Net working capital divided by total assets
- X2 = Retained earnings divided by total assets
- X3 = EBIT divided by total assets
- X4 = Book value of equity divided by total liability
- X5 = Sales divided by total assets

Table-7 depicts the Z-Score value of Cement Corporation of India Ltd from 2005-06 to 2014-15. From the analysis, it is found that the Z-Score of CCI Ltd. has been lower during the study period. It has been ranging from 1.76 to 0.99 during the entire study period, except in 2005-06 i.e. 1.76. In 2005-06, Z score value for CCI Ltd. was the highest of the study period of the company and fall in a Grey zone (safe zone). However, during the remaining years of the study period, the Z score values of CCI Ltd. have been lower than 1.23 score (bankruptcy zone). Therefore, it can be concluded that the company is not in safe position, as the Z-Scores values for the company have fall in the bankruptcy zone (below1.23score). As can be seen from table, in the year 2014-15, Z-score of company shows a poor position, as the score was only 0.99, which is less than 1.23 (Danger Level) indicating the bankruptcy zone of the company and also predict financial distress for the company in next two years. Finally, it revealed that CCI Ltd. has been in condition of financial distress and fall in bankrupt zone during 2006-07to2014-15, the company is prone to bankruptcy in coming years.
The above Figure 1 shows the Z score trend of CCI Ltd. Although, from 2005-06 to 2014-15, it has been in grey zone area in the first year of the study period, but it had been in Bankruptcy zone for the remaining years. Thus, it can be concluded that the financial health of CCI Ltd. was poor during the study period except in 2005-06.

CONCLUSION & FINDINGS OF STUDY

Altman Z score analysis has also revealed that the financial health of CCI Ltd. has not been satisfactory during the study period and average Altman Z score value predict sign of failure of the business in near future or in long run. From the analysis, it is found that the Z-Score of CCI Ltd. has been lower during the study period. It has been ranging from 1.76 to 0.99 during the entire study period, except in 2005-06 i.e. 1.76. In 2005-06, Z score value for CCI was the highest of the study period of the company and fall in a Grey zone (safe zone).

However, during the remaining years of the study period, the Z score values of CCI have been lower than 1.23 (bankruptcy zone). Therefore, it can be concluded that the company is not in safe position, as the Z-Scores values for the company have fall in the bankruptcy zone (below1.23 score). In the year 2014-15, Z-score of company shows a poor position, as the score was only 0.99, which is less than 1.23 (Danger Level) indicating the bankruptcy zone of the company and also predict financial distress for the company in next two years. From the analysis, it is revealed that CCI Ltd. has been in condition of financial distress and fall in bankrupt zone during 2005-07 to 2014-15, the company is prone to bankruptcy in coming years.

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50. Retrieved from https://www.coursehero.com/file/p7opfma/working-capitalTotal-assets-X-2-Retained-earningstotal-asset...
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SCM ISSUES AND HINDRANCES IN LEADING 2-WHEELER ORGANISATION

**HERO MOTO CORP**

Davinder Saini

**ABSTRACT**

The Indian vehicle manufacturing industry along with child part and raw material industries has been celebrating a good and increasing growth, in the last two decades. This boost up has been noticed since the economic liberalization happened in early 1990’s. Indian automotive market has grown from 5 million vehicles (2002) to 23.4 million vehicles (FY 2014-2015). The automobile has been called as a “product as well as a function” because it involves engineering services as a function and hence it gives a fine product in the end, from automotive supply chain (Thomas K., 2013). India is already on the 2nd place in two-wheeler (2W) segment and on 4th place in commercial Vehicles (CV); India is now poised to rank amongst the top three global automotive markets in all vehicles, by the year 2020. Observing such volatility in the present and future of the Indian auto market, it calls for an analysis of issues and hindrances present in supply chain management (SCM) practices that are catering to the industry, so that the trends that will shape the futuristic supply chain management practices can be given a try to predict and understand. In this paper, response and feedback regarding the issues and hindrances of SCM practice being followed at HERO MOTOCORP have been presented (which have been recorded through a questionnaire floated to the employees of concerning departments). This study is the sequel of my study with GKN DRIVELINE INDIA LIMITED (Davinder, 2016). It is the best hope that this study will provide an understanding which will help in adopting good SCM practices in auto industry and lead to various competitive advantages.

**KEYWORDS**

Indian Automotive Industry, Growth, Supply Chain Management (SCM), SCM Practices, SCM Challenges, HERO MOTO CORP etc.

**INTRODUCTION**

Automotive Industry is supposed to be as one of the major drivers of a country or it is good to say as the global economy. Especially 2-wheeler industry is composed of the main portion of the total automotive sector in a developing country like India. When an auto industry is going to establish in any area of a country then it automatically make thousands of Tier 1, Tier 2 and hence so many small level vendors to get established either in its vicinity. A huge demand of raw material and ready to feed child parts now being generated as an Original Equipment Manufacturer (O.E.M) works, calling in a pool of employment side by side; thus it can be understand how it mobilizes the economy of any area or of a country. The automobile has been called as a “product as well as a function” because it involves engineering services as a function and hence it gives a fine product in the end, from automotive supply chain (Thomas K., 2013). It supports industries like mining, steel, rubber, plastic, information Technology (IT), banking and insurance etc. According to Ernst & Young’s India Attractiveness Survey (2012), India is rapidly emerging as a favourite location for various manufacturing Industries (Ernst & Young, 2012). Thus it is obvious that there is tremendous scope for the growth in automotive sector in India. Also in an up roaring country like India, where most of the population is middle class, 2-wheeler is the best suited and maximum demanded vehicle. So it becomes important to understand SCM issues and hindrances which are present in the Indian automotive industries. Seeing this, a research has been conducted in association with the employees of HERO MOTO CORP. It is a leading 2-wheeler manufacturer company in India. Approximately 39% market has been captured by it in its segment in India (www.livemint.com)

**SUPPLY CHAIN MANAGEMENT**

Supply chain management is the group of companies which are connected through a network which can be named as business flow network which includes material flow, information flow as well as money flow. Supply chain management is a very critical aspect of any type of business industry. If it lags in its efficiency or function then it is hard to expect any business organisation to grow or it can be said that it will keeps on losing profit. Various scholars and research personnel have defined the SCM. Some of them can be briefed as below:

- A network of entities that starts with the suppliers supply and ends with the customer’s custom for the production and delivery of goods and services (Lee and Ng, 1997).

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• Supply chain is a network of firms to deliver product or service to the final customer, linking flow from raw material supply to final delivery, as has been shown (Bhardwaj & Jawalkar, 2015).
• Supply Chain Management can be understood as a network of organisations (Small, medium and OEMs) connected in a hierarchy allowing exchange or flow of materials, information and money (Saini & Jawalkar, 2016).

LITERATURE REVIEW

A good analysis of available research and case studies has been done in order to check the status of the studies and findings done so far in order to search out the issues and hindrances which are present especially in context of Indian automotive industries. The various points highlighted by various scholars and researchers can be briefed as below:

Sumit Guliyanii (2001) has performed a case study on MSIL Gurgaon and found that this is poor transportation facilities in the industry which is affecting the implementation of lean, total logistics cost and hence competitiveness of Industries in India. Studies on Indian auto component industry highlighted the influence of qualitative performance parameters in cost estimation. These non-financial indicators include business environmental factors, buyer–supplier relationships, technological advancement, quality management system, employees’ skills and capabilities, well planned scheduling techniques, system flexibility, and sourcing and decision making as it has been shown (Romano, 2002; Gurumurthy & Kodali, 2008; Zhao & White, 2010; Singh, 2010; Singh et al., 2010; Nayak & Ray, 2010).

Effective Supply Chain Management and Logistics contribute to competitive advantage to organizations. To achieve this improved performance, organizations should focus on applying techniques which offer a strategic opportunity for companies to gain an increase in revenue (M. Reddy, 2012). Jayanth Jayaram et al., (2013) said India leads the world ranking in coming days as a manufacturing location. Indian Manufacturing companies recognizing need of strategic contribution in SCM. The trends towards increasing outsourcing, calls for focus on SCM strategy. It is estimation that Indian industries spend approximately 14% of GDP on logistics function of SCM as compared to 10-11% in Europe and 9% in USA as has been shown by (Sunil Giri et al., 2014). Thus it can be assumed that a very good scope for the improvement in Indian SCM practices. Supply chain strategies and their implementation have been recognized as a source of competitive advantage. According to the principle “structure follows strategy”, we expect the number of firms having supply chain management (SCM) functions represented on their top management team (TMT) to have increased in the past years (Stephan & Rene, 2014).

Utility analysis is the measure of efficiency in supply chain, which is the function of strategy decided by supply chain players. The competition provided by the competitive (cooperation and competition) environment of new manufacturing systems demands analysing the strategic interaction between two tiers of supply chains such as manufacturer–supplier (Gajanana et al., 2014). The “Great Indian e-Commerce story” is unravelling at a breath-taking pace. The e-Commerce industry in India is expected to reach USD 38 billion by 2016, a jump of 67% from 2015 revenues of USD 23 billion, as per the industry lobby ASSOCHAM (The Associated Chambers of Commerce of India). Gross merchandise value of the top three e-commerce companies (Flipkart, Snapdeal and Amazon) has already exceeded that of the top 10 offline retailers in the country. So there is really a need for best in class SCM practices, as has been shown (Ketan Salhotra, 2016). Seeing the status of Indian automotive industries as under developed, the challenges and complexities which are associated with them are on a significant level. It is very necessary to understand these and to find out the issues which are causing this industry to perform under level, as has been shown by (Saini & Jawalkar, 2016).

LITERATURE GAP

Seeing the various literatures, studies and analysis, it can be said that scholars and researchers have done a vast study for the current status and complexities of the Indian SCM practices as compared to that of what is happening globally in the developed markets. But the studies and research which tries to interact with the persons who are involved in Indian automotive SCM practices, in order to find out the issues and hindrances on the way of world class SCM practices, are very few. This study focuses on finding the issues and hindrance in Indian automotive SCM practices by interacting with the associated personnel in some automotive organisations.

OBJECTIVE OF STUDY

To study the issues which are present in HERO MOTO CORP SCM practices and to find out the hindrances which creating obstacles in achieving the good SCM services then to suggest some probable solutions to overcome the challenges.
SCOPE OF STUDY

- To study the various issues that are affecting SCM practices by getting the perception of personnel who are associated with the profession.
- To find out the hindrances which are creating problems for Indian SCM practices to be the good one, by getting the response from expert personnel from the company.

METHODOLOGY

In order to perform the study, the following steps undertaken:

- Selection of the Issues / Hindrances factors which may affect/contribute the SCM services.
- Preparation of the questionnaire through which the response from the respondents would be recorded.
- Compilation of the response in Microsoft Excel and hence replicating the same in the graphical form.
- Highlighting the top contributing factors and hence suggesting some possible way of working to improve the same.

ISSUES AND HINDRANCES FACTORS

Table-1: SCM Issues

<table>
<thead>
<tr>
<th>Level 1 Hierarchy</th>
<th>Notation</th>
<th>Category</th>
<th>Level 2 Hierarchy</th>
<th>Notation</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td></td>
<td>Time Management</td>
<td>AA1</td>
<td></td>
<td>On-time delivery of firm's product to customer end.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AA2</td>
<td></td>
<td>On-time delivery of purchased materials for firm's use.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AA3</td>
<td></td>
<td>Reducing response time with supply chain cycle.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AA4</td>
<td></td>
<td>Timely determine customer's need in future.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AA5</td>
<td></td>
<td>Meeting the prescribed lead times in SCM cycles.</td>
</tr>
<tr>
<td>AB</td>
<td></td>
<td>Operational Strategy</td>
<td>AB1</td>
<td></td>
<td>To increase Just-In-Time facility of the firm.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AB2</td>
<td></td>
<td>Discussing firm's future needs with the suppliers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AB3</td>
<td></td>
<td>Requiring suppliers to put their facility closer to our facility.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AB4</td>
<td></td>
<td>Putting self producing facility nearby customer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AB5</td>
<td></td>
<td>To participate supplier's sourcing decision.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AB6</td>
<td></td>
<td>To get feedback on customer service &amp; performance from customers.</td>
</tr>
<tr>
<td>AC</td>
<td></td>
<td>Future Strategy</td>
<td>AC1</td>
<td></td>
<td>To improve integration among supply chain activities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AC2</td>
<td></td>
<td>To create an environment of trust among all concerning supply chain members.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AC3</td>
<td></td>
<td>Adopting a Third-party supply chain management services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AC4</td>
<td></td>
<td>Creating supply chain management teams that include members from different companies.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AC5</td>
<td></td>
<td>Involving all members of own firm’s supply chain in own product/service / marketing plans.</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-2: Hindrances to a Good SCM Practice

<table>
<thead>
<tr>
<th>Level 1 Hierarchy</th>
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<th>Category</th>
<th>Notation</th>
<th>Questions</th>
<th>Sub-Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA</td>
<td></td>
<td>SCM Issues</td>
<td>BA1</td>
<td>Distance of suppliers from facilities of firm.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BA2</td>
<td>Lack of sophisticated information system for information sharing among supply chain members.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BA3</td>
<td>Inability to handle inventory throughout the supply chain cycle.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BA4</td>
<td>Lack of visibility among supply chain cycle.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BA5</td>
<td>Competition from other supply chains.</td>
<td></td>
</tr>
<tr>
<td>BB</td>
<td></td>
<td>Market and Participant Issues</td>
<td>BB1</td>
<td>Lack of trust among supply chain members.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BB2</td>
<td>Lack of cooperation among supply chain members.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BB3</td>
<td>Lack of interest among own suppliers or customers to participate in supply chain.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BB4</td>
<td>The vary effect of globalization on Supply chain management practices.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BB5</td>
<td>High-risk involvement because of varying customer demand.</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
CONCLUSION & RESULTS

SCM Issues: We floated questionnaire 1 to 60 respondents and get 30 complete responses. The results of the questionnaire can be presented in the form of graphs for the various groups of issues, because it can be understood well:

The importance level of issues fall under Time Management group can be shown in Figure 1 as below:

Figure-1: Analysis of Factors in Time Management Group

It can be observed from above graph that top 3 important issues are AA1, AA5 and AA3.

The importance level of issues fall under Operational Strategy group can be shown in Figure 2 as below:

Figure-2: Analysis of Factors in Operational Strategy

It can be observed from above graph that top 3 important issues are AB5, AB3 and AB2.

The importance level of issues fall under Future Strategy group can be shown in Figure 3 as below:

Figure-3: Analysis of Factors in Future Strategy

It can be observed from above graph that top 3 important issues are AC2, AC1 and AC5.
Hindrances to a Good SCM Practice

The importance and satisfaction level of factors fall under SCM Issues group can be shown in Figure 4 as below:

**Figure-4: Importance / Satisfaction Level under SCM Issues Group**

![Importance/Satisfaction Level under SCM Issues Group](image)

Sources: Authors Compilation

It can be observed from above graph that top 3 important issues are BA1, BA3 and BA4 and top 3 most satisfied factors are BA3, BA4 and BA2.

The importance and satisfaction level of factors fall under Participant & Market Issue group can be shown in Figure 5 as below:

**Figure-5: Importance / Satisfaction level under Market & Participant Issues Group**

![Importance/Satisfaction Level under Market & Participant Issues Group](image)

Sources: Authors Compilation

It can be observed from above graph that top 3 important issues are BB2, BB4 and BB1 and top 3 most satisfied factors are BB4, BB5 and BB2.

SUGGESTIONS & RECOMMENDATIONS

It can be observed that a similar trend has been observed in the results that has been presented in the study of GKN DRIVELINE INDIA LIMITED (Davinder, 2016). On the basis of above study and research regarding SCM practice in Indian automotive industries, some suggestions may be come out which are shown below:

To Minimise SCM Issues

Following could be the possible solution of the existing issues:

- First of all as shown in this study, various SCM issue groups and their factors should be presented/shown to the associated members of SCM who are working in various automotive industries in India.
- A proper training should be organised across the organisations in order to highlights or make noticeable these issues.
- Various SCM personnel should analyse their facility or system in order to find out the particular issue present in his practice or there are chances for the creation of such issues.
- After finding the issues, they should be circulated within and inter departments also, so that every concerned person come to know them.
A proper brainstorming meeting should be organised in order to address and discuss the associated issues in SCM practices. Also a frequency should be adopted for the happenings of such meetings so that the issues could not be left for resolution suggested by the personnel.

- Root Cause analysis should be done for the issues, if present in the system.
- A team should be made in order to resolve the issues.
- After resolution, issues should be communicated to the suppliers as well as to customer.
- A poke-yoke should be established so that again happening of a particular issue can be captured.

**Hindrances in the Path of a Good SCM Practices**

This is the severe issue in any SCM practice. All the hindrances should be addressed with its severity level. Hindrances are basically the obstacles which are avoiding the practices to be the best one. The various important points are:

- Distance of the supplier from facility of the firm.
- Lack of sophisticated information system for information sharing among supply chain members.
- Inability to handle inventory throughout the supply chain cycle.
- Lack of visibility among supply chain cycle.
- Lack of trust among supply chain members.
- Lack of interest among own suppliers or customers to participate in the supply chain.
- The vary effect of globalization on Supply chain management practices.

The following remedies can be implemented in order to avoid the above hindrances:

- Well addressing of the issue / hindrance.
- Analyse it for the root cause (can take help by making an inter-departmental team).
- Fool proof resolution for the root cause of the issue / hindrances.
- Proper presentation of the issue/hindrance to all the personnel.
- Higher a good quality SCM expertise personnel (if required).

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