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A STUDY OF SMALL CAR CONSUMER PREFERENCE IN PUNECITY

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ABSTRACT

Indian Automobile small car business is influenced by the presence of many national and multi-national manufactures after liberalization in 1991. The presence of the many manufacturers and variants within the city provides several decision options to the customers as they supply similar product proposition, creating the passenger automotive small car market highly competitive

Customers now search for those differentiating parameters, which may help them to choose among the alternative products available in the market. The purpose of this paper is to come with the identification of parameter that influence the customer purchase preference behavior patterns of passenger automobile small car owners within the city of Pune. Of greatest interest to the current study is the impact of demographic variables and income affecting the vehicle selection of small cars.

KEYWORDS: *Consumer preference, small cars, influencing factors.*

1. INTRODUCTION

India assisted by its economic advancement, is experiencing fast motorization on its road and is becoming a highly motorized society. After liberalization many new vehicle models are produced and sold by domestic and foreign vehicle manufacturers. Due to a wide range of makes and models, people make choices based on their preferences and needs when choosing which car to buy.

Increase in number of car consumers and heavy usage is credited to increasing per capita income and several car model availability. Traditionally, economists and market researchers were inquisitive about identifying the factors that may have an effect on consumers' automobile purchase behaviors, and have developed different models to estimate market share. A consumer's buying preference behavior is influenced by cultural, social, personal and psychological factors. Most of these factors are uncontrollable and beyond the hands of marketers but they have to be considered while trying to understand the complex behavior of the consumers. In this study, the researcher tried to emphasize the importance of demographic variable and its impact on the small car buyer preference by considering consumers characteristics and gender as factor that will have an effect on the vehicle preference.

INDIAN CAR INDUSTRY

India's passenger automobile car production is the sixth largest in the world, in keeping with recent reports, According to the Society of Indian Automobile Manufacturers, annual vehicle sales are projected to increase to 5 million by 2015 and more than 9 million by 2020. By 2050, the country is expected to top the world in car volumes with approximately 611 million vehicles on the nation's roads.

The small car automotive market in India is increasing by leaps and bounds. The marketplace for small cars currently occupies a considerable share of around 70% of the annual car production in

India. Most players within the small car automotive industry are trying to out- do one another in terms of style, innovation, pricing, and technology, so as to achieve increased market share in India.

NEED OF STUDY

In the present Indian market it is evident that there is huge Growth potential for small car manufacturers, as both domestic and international manufacturers, are presented with great challenges and opportunities in the near future.

Industry body SIAM had lowered the growth projections for auto sales for the second time in four months in fiscal year 2012, due to high fuel prices, interest rates and slowing economic growth which continue to defer buyers from car purchases. Thus it is very helpful to determine the small car consumer preferences to determine which segment of the potential consumer market Prefers which model/brand of vehicle.

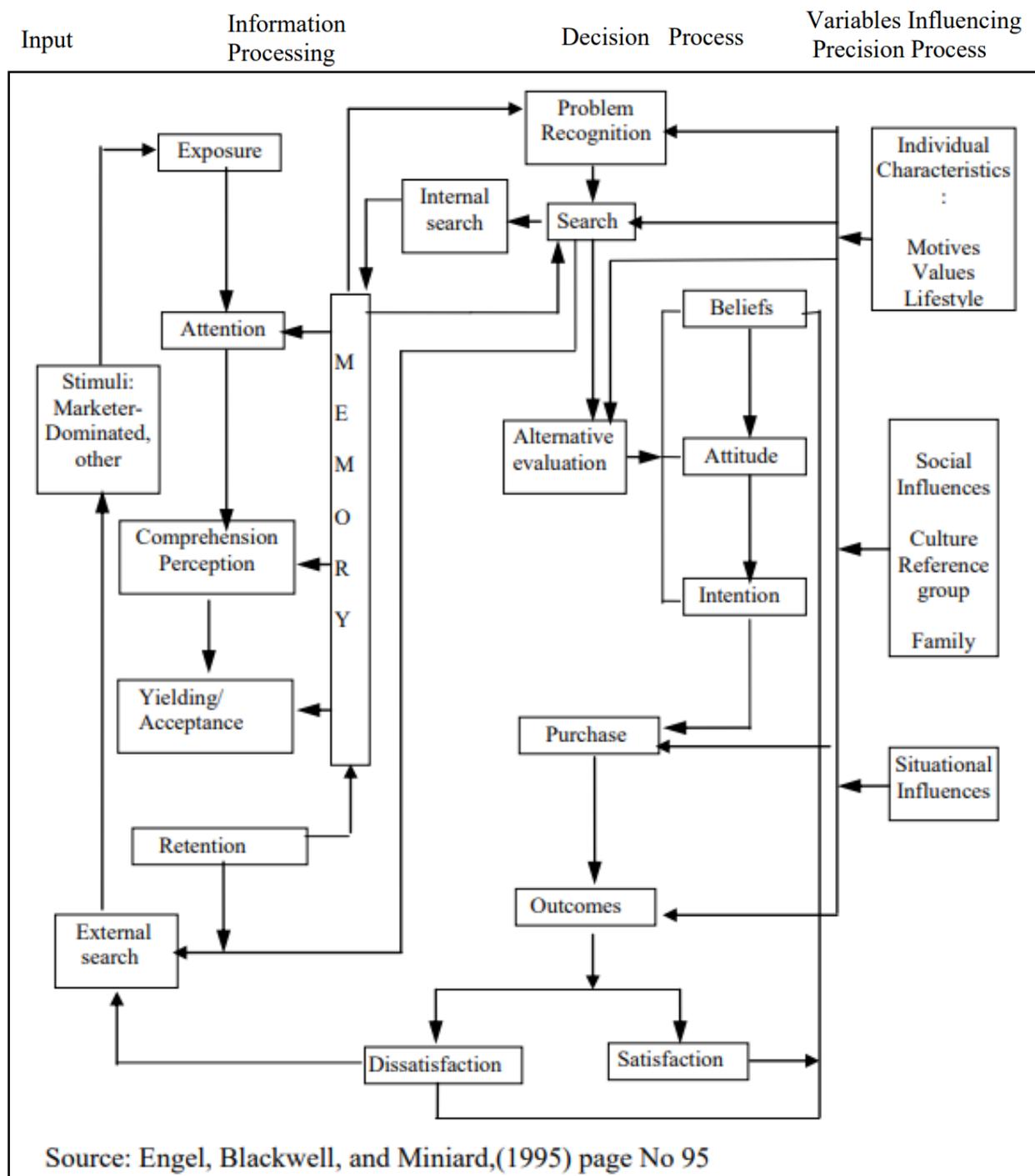
The study is valuable for both marketers and small car manufacturers to have a few detailed insights into the factors influencing consumer preference and choice as the inflation is not under control and the cost of vehicle ownership is high.

THE ENGEL-KOLLAT-BLACKWELL MODEL OF CONSUMER BEHAVIOR:

A study of Consumer decision making model helps us to understand better about the preference formation of consumers. This model was formed to describe the increasing, fast- growing body of knowledge concerning consumer behavior. This model consists of four stages;

1. INPUT

The fundamental focus of the model is on five basic decision-process stages: Problem recognition, search for alternatives, alternate evaluation (during which beliefs may lead to the formation of attitudes and preference, which in turn may result in a purchase intention and purchase outcomes



INFORMATION

In this stage the consumer gets data from selling and non-marketing sources that additionally influence the decision-making. If the consumer still doesn't arrive to a selected option, the external data are activated so as to arrive on a selection.

DECISION PROCESS

This stage consists of the consumer's exposure, attention, perception, acceptance, and retention of incoming information. the buyer should initially be exposed to the message, interpret the stimuli, and retain the message by transferring the input to long-term memory.

VARIABLES INFLUENCING

This stage consists of individual and environmental influences that have an effect on all five stages of the choice method. Individual characteristics represent motives, values, lifestyle, and personality; the social influences are culture, reference teams, and family. Situational influences, like a consumer's money condition, additionally influence the consumption choicemethod.

This model had incorporated several elements, which influence customer decision-making like values, lifestyle, temperament and culture. The model failed to show what factors form these things, and why differing types of personality will turn out totally different decision- making. How we tend to apply these values to address different personality's characteristics of the customers which may cause higher understanding of the model and may provide additional comprehensive understanding of decision- process of car consumers.

2. REVIEW OF LITERATURE

The study of consumer behavior focuses on how people build their preferences to spend their resources like time, money, effort on consumption-related things (Schiffman and Kanuk, 1997). Consumer behavior is a study of the process concerned when people choose, purchase, use, or eliminate products, services, ideas, or experiences to satisfy wants and needs.

Consumer Behavior occurs either for the individual, or within the context of a group. Product use is usually of increased interest to the marketer, as this might influence how a product is best positioned or it will encourage increased consumption.

Sagar and Chandra 2004 discussed in their paper, how Indian car industry has leaped forward technologically with intensified technological capabilities .the industry is driven by a confluence of factors such as strong competition, changing consumer preferences, government policies especially with tightening of emission standards, and the global strategies of the various players. They detailed about cars manufactured in India with better designs& incorporating advanced technologies that are often comparable with those available globally and also commented Indian car exports are also growing in leaps and bounds.

Deb 2004 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.

Mandeep Kaur and Sandhu (2006) tried to find out the important features a customer might consider while purchasing a new car. The study covered the owners of passenger cars living in the major cities of the State of Punjab and the Union Territory of Chandigarh. The respondents recognized that safety and comfort were the most important features of the passenger car followed by luxuriousness.

Chidambaram and Alfred (2007) proposed that there are certain factors which influence brand preferences of customers. The study revealed that customers give more importance to fuel efficiency than any other factor and believe brand name informs them about product quality, utility, technology. They prefer to purchase passenger cars which offer high fuel efficiency, good quality, technology, durability and reasonable price.

India is experiencing fast economic growth. This can be manifested by the increased affluence of the growing Indian middle class category (Nagaraj, 2008), ending in a very huge growth in personal vehicle possession.

Satya Sundaram (2008) analyzed how the competition makes the automobile manufacturer to launch at least one new model or a variant of the model every year. This survey also pointed out that diesel cars are becoming popular in India and the announcement of reductions in excise duties by the government has helped to some extent to boost the demand.

Clement Sudhakar and Venkatapathy (2009) examined the power of peer group in buying Automobile with reference to Coimbatore District. It was also found that the influence of friends is higher for the purchase of small sized and mid-sized cars.

Banerjee, Ipsita (2011) studied about Car Acquisition & Ownership Trends in Surat city of motorized vehicle owning households. Study regarding vehicle choice behavior recognized that household income is the chief determinant of the number and size of cars that household possess, and that family size is a much less important factor & smaller vehicles were preferred even by larger family.

OBJECTIVES OF THE STUDY

- 1) Identify small car preference by male and female consumers in the selected market area.
- 2) Analyze the profile of consumers buying small cars.
- 3) Identify key factors that influence small car buying.

3. RESEARCH METHODOLOGY

Research can be defined as a scientific and systematic search for pertinent information on a specific topic. Research is an act of scientific investigation.

RESEARCH DESIGN: Research design is the detailed plan of conducting a research study. Descriptive research design has been used in the study.

DESCRIPTIVE RESEARCH DESIGN: Descriptive analysis attempts to explain systematically a trend, and provides data concerning attitudes and preferences towards a problem. It involves gathering of information that can be tabulated along a scale in numerical form, or it can describe categories of information such as gender or patterns of contact when forming consumer preferences in a group situation.

Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Glass & Hopkins, 1984).

SAMPLE AREA

The data has been collected from Pune city as it has a high residential density with people from all over India 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 education occupation income etc

SAMPLE 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 and every 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. The researchers have taken 100 samples randomly from the total population. Primary sources of data collected through questionnaire & secondary source from magazines, journals and website.

INSTRUMENT DESIGN

Personal interview method has been used with the respondents for collecting responses. Personal interviewing method is used because sample size is relatively small and interviewer can request more questions and errors be reduced.

STRUCTURE OF THE INSTRUMENT: For collecting primary data, structured questionnaire has been used. It is the most popular method used when the population and sample size are large. It was designed to cater to all areas and aspects of the study.

DATA ANALYSIS AND INTERPRETATION

The data has been collected with the assistance of a structured questionnaire. And it has been analyzed and interpreted with the assistance of tables, statistical techniques and logical conclusions interpreted based on the findings.

DATA ANALYSIS AND INTERPRETATION

TABLE: 1: DEMOGRAPHIC VARIABLES

Demographic variables	No of Respondents	%
Gender		
male	70	70
female	30	30
Marital Status		
married	37	37
unmarried	63	63
divorced	0	0
Qualification		
diploma	2	2
graduate	31	31
post graduate	65	65
others	2	2
No of children		
one	30	30
two	28	28
three	2	2
four	0	0
not applicable	40	40
age		
20-30	14	14
31-40	64	64
41-50	13	13
51-60	5	5
61>	4	4
occupation		
doctor	14	14
business	25	25
private employee	45	45
Govt: employee	6	6
retired	2	2
self employed	8	8
Income		

Source: Primary Data

INFERENCE: A sample of 100 respondents was researched whereby 78% respondents were males and 22% were female. Majority of the respondents were aged between 31 to 40 years and most of their highest education level were post graduate degree with majority respondents working as private employee with improved affordability

TABLE 2: TYPE OF SMALL CARS USED

Type of small cars used	Frequency	%
Mini	9	9
Compact	91	91
	100	100

Source: Primary data

INFERENCE: to find out the preference of small cars types used, the data pertaining to this is presented in table 2. Based on this survey 91% of the respondents use compact cars in Pune city and 9% are using mini cars as its more economical and easy to use in congested areas with heavy traffic and in places where parking is a problem.

TABLE 3: CARS OWNED

Cars owned	Frequency	%
One	80	80
Two	17	17
Three	3	3
	100	100

Source: Primary data

INFERENCE: to find out the consumer ownership of small cars, the data pertaining to this is presented in table 3. An examination of the data reveals that 80% of the consumers own one car, 17% of the consumers had two cars .It was found in study that some companies provided company cars to some employees and some Double income families with working ladies preferred Two small cars to other modes of transportation and few had two cars as old parents were staying with them and for use in emergency due to increased spatial separation of work place and residence along with unavailability& less frequency of other modes of transportation in few areas and 3 % who have 3 cars were found in joint families .

TABLE: 4: SMALL CAR TYPE OWNED

Small car Type owned	No of cars owned			
	1	2	3	Total
Mini car	8	1		9
Compact car	72	16	3	91
Total	80	17	3	100

Source: Primary data

INFERENCE: to find out the no of cars owned and car type, the data pertaining to this is presented in the table 4. An examination of the table reveals that most of the consumers use compact cars. Of the respondents 9% of them have purchased mini car as it is economical for city usage and easy to use in heaving traffic roads.

TABLE 5: PAYMENT PREFERENCE

Payment preference	Frequency	%
Cash	28	28
EMI	72	72
Total	100	100

Source: Primary data

INFERENCE: To recognize the payment preference of consumers, the data pertaining to that is presented in the table 5. An examination of the table reveals that most of the consumers used EMI while purchasing their small cars. Of the respondents 28% of them preferred cash for purchasing.

TABLE 6: FUTURE FUEL PREFERENCE

Future Fuel Preference	Frequency	%
Petrol	39	39
CNG	11	11
Diesel	40	40
Electric	10	10
Total	100	100

Source: Primary data

INFERENCE: With an outlook to find the future fuel preference, the data pertaining to this is presented in table 6. An examination of the table reveals that, most of the consumers preferred Diesel Variants. In the above table 45% of the respondents preferred Petrol, 5% of the respondents preferred CNG, 2% of the respondent's preferred electric cars in Pune city.

TABLE 7: GENDER AND FUEL PREFERENCE

Hypothesis: Ho: There is no significant association between gender of respondents and preference of fuel.

H1: There is significant association between gender of respondents and preference of fuel.

Gender	Fuel preference				
	Petrol	CNG	Diesel	Electric	Total
Male	26	6	33	5	70
Female	13	5	7	5	30
Total	39	11	40	10	100

Source: Primary data

INFERENCE: to find the fuel preferred by respondents, the data pertaining to this is presented in table 7. Examinations of the above figures reveal that, most of the male consumers preferred Diesel cars while female respondents preferred petrol cars.

CHI SQUARE TEST

Level of significance=5% Degree of freedom=3 Calculated value=6.338 Tabulated value=7.815
P value=.096

The calculated value is less than the tabulated value hence null hypothesis is accepted. Therefore there is no significant association between gender of respondents and preference of fuel.

TABLE 8 FACTORS WHICH INFLUENCE THE CONSUMER PURCHASE PREFERENCE TOWARDS SMALL CARS

Factors Which Influence	Not important	Somewhat important	Moderately important	Very important	Essential
	1	2	3	4	5
price consciousness	17	11	9	13	50
value consciousness	23	20	17	26	14
price quality inference	11	13	26	17	33
safety	25	36	8	15	16
group influence	8	18	10	13	51

Source: Primary data

TABLE 9 FACTORS WHICH INFLUENCE THE CONSUMER PURCHASE PREFERENCE TOWARDS SMALL CARS

ONE-SAMPLE T-STATISTICS

	N	Mean	Std. Deviation	Std. Error Mean	T value	Sig.
price consciousness	100	2.4300	1.55865	.15587	15.590	.000
value consciousness	100	3.2000	1.38535	.13853	23.099	.000
price quality inference	100	2.5000	1.34465	.13446	18.592	.000
Safety	100	2.4600	1.36641	.13664	18.003	.000
group influence	100	2.1700	1.39302	.13930	15.578	.000

INFERENCE: To understand factors which influence the consumer purchase preference towards small cars in Pune and understand whether these factors influence the consumer purchase towards small car the data pertaining to this is presented in table 9. The factors studied were price consciousness, value consciousness, price – quality presumption, group influence .one sample t test had been applied to analyze the important factor while buying small cars. The results of the analysis of table: 10 helps us to understand from the t values that value consciousness is considered the most important followed by price quality inference and others Based on the results of t statistics given above it can be concluded that value consciousness is the highest influencing factor while purchasing small cars.

FINDINGS

Following findings were identified from the study

With fast growing economy, India is experiencing increased consumption of small car.

- 1) The study analysis shows that demographic factors like age, gender, education, status, and income influence consumers indirectly for small car buying preference.
- 2) Most of the small car owners were in age group of 31 to 40 years
- 3) Female car users observed that it was less tiring when using small cars compared to other modes of transport.
- 4) Compared to mini cars, compact car usage is more in Pune city.
- 5) Value consciousness & price quality inference are the important factors which influence small car buying.
- 6) Male consumers preferred Diesel cars while female respondents preferred petrol cars.

CONCLUSION AND RECOMMENDATION

The twentieth century has borne witness to remarkable changes in the marketplace caused by sharp changes in the lifestyle patterns of the past and present day consumers due to globalization. Time tested concepts marketing, are being turned down as they fail to measure the behavior of new generation customers.

Their behavior is characterized by the distinctiveness of individual expectations, preference for multiple options, tendency to abandon Brand loyalty and switch to competitor brands that provide higher perceived value. The new generation consumers are difficult to classify by conventional demographic factors and unless their thought process and buying behavior preferences are fully understood, decisions on product designs, product variants, branding and distribution channels are likely to be misled.

With the unavailability of change, Indian companies must learn from their western counterparts; to recognize the basis and direction of the change likely to affect India in future, and identify new competencies and standpoint that will enable manufacturers to respond to fast changes, efficiently and effectively.

Consumer preference cannot be exactly predicted but can be done to a certain extent with the help of consumer research activity. Globalization has brought along with it competition in the small car segment & the companies have to concentrate in analyzing the consumer preference to satisfy and retaining the consumers in the long run. The income changes and increasing petrol prices is driving demand of small cars in India.

Small car sector offers huge potential as penetration and consumption of small cars is very less in Pune compared to its Population. For promoting the product consumption and creating awareness Manufacturers have used advertising campaigns to promote higher consumption of small cars with lots of promotional offers

There are some important factors considered by the consumer before decision making. So the manufacturers have to analyze all these factors and find out the best suitable tools for promoting their small cars in India.

LIMITATION OF STUDY: Our study experienced a few limitations, which can be turned into avenues for further analysis. This study didn't study the psychographics of the consumers. Understanding psychographics of the consumers is very important to understand the inner feelings, and tendency of the customers buying preference.

The changing demographic profile of the population like education, income, size of family are necessary by what's going to be changed in days to come regarding understanding Psychographics of customers as to how they feel, assume or behave.

Marketers are required to constantly monitor and identify the core Psychographics to map the sectors movement and review what ought to be done, by adding value that motivates consumers to opt from the company's product range which may influence the long term business structure and market share.

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A STUDY ON WORK LIFE BALANCE OF EMPLOYEES, WITH REFERENCE TVS & SONS P (LTD), MADURAI

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ABSTRACT

The paper reviews empirical evidence on problems regarding work–life balance, increasing work life pressures, and the need to accommodate evolving family structures. The prominence of this topic reflects its significance as a critical business issue, a public policy concern, and a matter of vital importance to employers, individuals and families. The concept of work-life balance has developed out of demographic and social changes that have resulted in a more diverse and declining workforce and different family/work models. In terms of Indian context, the concern over work-life balance is gradually becoming a common talk. When employees go back to their homes, they should not carry any organizational stress with them. An individual has two roles to play- personal and professional; each role having different set of demands. When such role demands overlap, multiple problems are faced leading to losses for all concerned: the individual, the family, the organization and the society. To minimize employees work life balance issues, organizations have turned to policies such as flexitime, on-site childcare, and other mechanisms to ensure that engaging in one's family does not interfere with work (Rothbard, 2001). The purpose of this study is to explore employee's use of tactics to manage their work and life stress; in sales job, the performance pressure is considerably high leading to stress and other problems. This exploratory research is an attempt to study the work-life balance issues with reference to people working in marketing department (TVS & SONS). The results derived from data analysis reveal significant results with respect to work-life equilibrium. The study has wide implications for industry in particular.

KEYWORDS: *Work life balance, motivation, psychology, emotional intelligence.*

1. INTRODUCTION

- **WORK–LIFE BALANCE:** Trying to schedule an equal number of hours for each of your various work and personal activities is usually unrewarding and unrealistic. Life is and should be more fluid than that. Work–life balance is a broad concept including proper prioritizing between "work" (career and ambition) on the one hand and "life". (Health, pleasure, leisure, family and spiritual development) on the other. Related, though broader, terms include "lifestyle balance" and "life balance".

Employee assistance professionals say there are many causes for this situation ranging from personal ambition and the pressure of family obligations to the accelerating pace of technology. According to a recent study for the Center for Work-Life Policy, 1.7 million people consider their jobs and their work hours excessive because of globalization.

These difficult and exhausting conditions are having adverse effects. According to the study, fifty

percent of top corporate executives are leaving their current positions. Although sixty-four percent of workers feel that their work pressures are "self-inflicted", they state that it is taking a toll on them. The study shows that seventy percent of US respondents and eighty-one percent of global respondents say their jobs are affecting their health.

Between forty-six and fifty-nine percent of workers feel that stress is affecting their interpersonal and sexual relationships. Additionally, men feel that there is a certain stigma associated with saying "I can't do this". During the Great Depression, working hours were reduced. By 1932, approximately fifty percent of Americans were working a shortened work week. Instead of reducing wages, employers decided to lay off many workers and attempted to protect the employees that remained by encouraging them to job share. "In situations where an individual has high demands on him and low control, the undesirable stress of work and other situations becomes problematic."

The 1980s brought new complaints of work-life balance related stress. This time period was given such names as "the ME generation," "the age of narcissism" and "the pursuit of loneliness." The number of cases of emotional depression in the United States was believed to have doubled between 1970 and 1990. They weren't triggered until the Industrial Age, and now the Information Age has worsened them. Nowadays, instead of seconds, it's nanoseconds. We have moved from designing a schedule that real people can execute in whatever time it takes them, to a program which people can monitor but can't affect." So even if the stress is out there, it's not showing up (in the compensation statistics). Some of it shows up in the rising violence, which is a crude proxy for the stress out there."

Let's start with the senior executive concerns and opportunities that work-life affects.

- **GROWTH AND PROFIT IMPACT:** Accelerated on and off-the-job stresses and expectations are adversely affecting top and bottom-line growth, unnecessarily driving down productivity. A well-implemented work-life strategy greatly reduces both the real and perceived overwork and out-of-balance pressures that hamper productivity, producing a dramatic positive return on investment.
- **FULL ENGAGEMENT AND CUSTOMER SERVICE:** A workforce that is out of balance, unnecessarily stressed, or disgruntled greatly reduces full engagement with external and internal customers. Conversely, commitment to the organization's objectives and clients' needs rises in direct proportion to the perception that the organization is committed to both the work and life success of each individual.
- **COMPETITIVE ADVANTAGE FOR TALENT:** Demanding baby boomers-- and even more, the smaller pool of younger workers--have increased their expectations of a positive work-life culture. Employees expect their employers to recognize that in addition to having a job, they have a life. This is reflected by the fact that work-life balance issues with the boss or the company are the number- one reason that individuals quit their jobs.
- **HEALTH-CARE COST SOLUTION:** The rising organizational cost of health care is driving senior management to become more proactive about employee health. Senior managers view engaging employees in improving their own lifestyle behaviors and creating a healthier workplace as key components to the solution

WORK STATISTICS

According to a survey conducted by the National Life Insurance Company, four out of ten

employees state that their jobs are "very" or "extremely" stressful. Those in high-stress jobs are three times more likely than others to suffer from stress-related medical conditions and are twice as likely to quit. The study states that women, in particular, report stress related to the conflict between work and family.

STRESS AND WORK-LIFE BALANCE

The number of stress-related disability claims by American employees has doubled according to the Employee Assistance Professionals Association in Arlington, Virginia. Seventy-five to ninety percent of physician visits are related to stress and, according to the American Institute of Stress, the cost to industry has been estimated at \$200 billion-\$300 billion a year.

It is clear that problems caused by stress have become a major concern to both employers and employees. Symptoms of stress are manifested both physiologically and psychologically. Persistent stress can result in cardiovascular disease, sexual health problems, a weaker immune system and frequent headaches, stiff muscles, or backache. It can also result in poor coping skills, irritability, jumpiness, insecurity, exhaustion, and difficulty concentrating. Stress may also perpetuate or lead to binge eating, smoking, and alcohol consumption.

According to James Campbell Quick, a professor of organizational behavior at the University of Texas-Arlington, "The average tenure of presidents at land-grant universities in the past ten years has dropped from approximately seven to three-and-a-half years" The feeling that simply working hard is not enough anymore is acknowledged by many other American workers. "To get ahead, a seventy-hour work week is the new standard. What little time is left is often divvied up among relationships, kids, and sleep." This increase in work hours over the past two decades means that less time will be spent with family, friends, and community as well as pursuing activities that one enjoys and taking the time to grow personally and spiritually.

Texas Quick, an expert witness at trials of companies who were accused of overworking their employees, states that "when people get worked beyond their capacity, companies pay the price." Although some employers believe that workers should reduce their own stress by simplifying their lives and making a better effort to care for their health, most experts feel that the chief responsibility for reducing stress should be management.

2. REVIEW OF LITERATURE

There has been much debate over a formal definition of work-life balance. According to Greenhaus et al. (2003), most of the major reviews of work-life balance articles either do not mention work-life balance per se, or when it is mentioned it is not explicitly defined. Furthermore, in studies where work-life balance or related constructs are explored, researchers seem to have used several different approaches to operationally define and measure the construct (Greenhaus et al.; Potgieter & Barnard, 2010). In a review of the literature, Kalliath and Brough (2008) identify six different definitions that are commonly used within the literature:

- 1) Work-life balance reflects an individual's orientation across different life roles,
- 2) The extent to which an individual is engaged in – and equally satisfied with – his or her work role and family role,
- 3) Achieving satisfying experiences in all life domains and to do so requires personal resources such as energy, time and commitment to be well distributed across domains,

- 4) The extent to which an individual's effectiveness and satisfaction in work and family roles are compatible with the individual's life role priorities at a given point in time,
- 5) Low levels of inter-role conflict and high levels of inter-role facilitation contribute to higher levels of perceived work-family balance, and
- 6) Work-life balance is about people having a measure of control over when, where and how they work.

PERSONAL CHARACTERISTICS THAT CONTRIBUTE TO ISSUES WITH WORK-LIFE BALANCE

Work and family are closely interconnected domains of human life (Edwards & Rothbard, 2000). Often, meeting both the demands from work and family can be very challenging and can lead to issues with work-life balance (Md-Sidin, et al., 2008). Although stress has been studied at length, the definition of stress has varied widely. Definitions of stress include an event or stimulus itself, the psychological and physiological process of stress, and/or the stress responses (Kang, et al., 2010). Most stress research has examined the relationship between stressors (e.g. role conflict, role ambiguity, lack of perceived control) and outcomes (e.g. job dissatisfaction, anxiety, psychosomatic symptoms, absenteeism, and job performance) (Jex & Gudanowski, 1992). There are many personal factors that contribute to stress that can lead to an imbalance between work and life. They include: gender, marital status, parental status, family responsibility, age, personality differences and education level.

GENDER - Gender is a topic that has been extensively reviewed within the work life balance literature. Warren (2004) explained that women with domestic responsibilities have taken on part-time jobs as a beneficial way to maintain their labour market skills, as a secondary source of income and sustain interest outside of the home. However, there is also resulting conflict between their work and family commitments and responsibilities (Drew, 2005; Innstrand, Langballe, Falkum, 2010). The reason for this has been explained as women typically assume the majority of childbearing duties (Porter & Ayman, 2010). This responsibility can influence both role stress and negative attitudes at work (e.g. role conflict, job burnout and dissatisfaction) and are positively associated with disruptions at home (Bacharach, Bamberger & Conley, 1991).

Men and women tend to prioritize work and family roles differently; men typically sacrifice more at home and women tend to sacrifice more at work for home commitments (Haworth & Lewis, 2005; Jennings & McDougald, 2007). It has been found that women's level of involvement at work did not differ from men's, however they did admit to a certain level of concern with home issues at work (Hall & Richter, 1988). Martins, Eddleston and Veiga (2002) found that women's career satisfaction was negatively affected by work-family conflict throughout their lives whereas men showed adverse effects only later in their career.

MARITAL STATUS - It has been suggested that individuals who are married give more priority to their personal lives (Martins, Eddleston & Veiga, 2002). It has been explained that employees with families often experience a lack of separation or difficulty keeping separation between work and home boundaries (Hall & Richter, 1988), which can negatively influence both work and family life. Md-Sidin, et al. (2008) reported that individuals who are married experience more work-life conflict than those who are unmarried.

PARENTAL STATUS - The presence or absence of children in the family continues to make a significant difference in the degree of balance that individuals experience (Tausig &

Fenwick, 2001). Parental status has been found to be a determinant of parents placing increased importance on the role of family (Blau, et al., 1998). Family responsibilities such as household time demands, family responsibility level, household income, spousal support and life course stage have been found to be sources of work-life stress (Jennings & McDougald, 2007).

Dual earner couples with no children report greater work-life balance, while both single and married parents report significantly lower levels of perceived balance compared to single, non-parents (Tausig & Fenwick).

AGE AND LIFECYCLE - Age and lifecycle have been found to be determinants of the extent of work-life stress that individuals experience (Wang, Lawler & Shi, 2010). It has been observed that there has been a change in lifestyle preferences between recent generations. Those born after 1969, or "Generation X", are said to prefer a lifestyle that includes non-work time, irrespective of other responsibilities, hence may actively seek employers who offer work-life balance arrangements (Maxwell, 2005). Tausig and Fenwick (2001) reported that older adults report greater success with work-life balance. Bardwick (1986) suggests that in later life when individuals have reached a plateau in their careers, they will not be as tolerant of work-family conflict because putting in the extra work does not seem worthwhile.

PERSONALITY - Jennings and McDougald (2007) found that certain personality differences predispose individuals to work-life balance issues. The tendency to feel guilty, to be loyal towards others, a lack of sensitivity towards others and the need and desire for "being there" for family members and being unable to manage a new situation has been suggested to influence the level to which an individual experiences work life balance issues (Bekker, et al., 2010). A person's emotional response to a role is a critical factor influencing their interpersonal availability and psychological presence in a different role (Rothbard, 2001). Individuals with high negative affectivity seem to experience more negative interaction between work and family (Bekker et al.).

EDUCATION LEVEL - It has been found that higher education and more working experience could instill more confidence in that individual and increased self-efficacy (Chong & Ma, 2010). Work-life balance is greater among those with a high school degree or less, while it is lower among those with an undergraduate degree or advanced university degree (Tausig & Fenwick, 2001). Those currently attending school also tend to report less balance (Tausig & Fenwick).

LIFE DEMANDS - Many individuals find they are increasingly isolated from family and leisure activities in an ever-increasing climate of long work hours and intensity (Haworth & Lewis, 2005). As stated previously, there are over 170 life demands that have been identified as work, financial resources, leisure, dwelling and neighborhood, family, friendship, social participation and health (Warren, 2004). Many individuals who experience issues balancing life demands also experience emotional exhaustion which has been defined as "a state caused by psychological and emotional demands made on people" which is when an individual is facing seemingly overwhelming demands on their time and energy (Boles, Johnston & Hair, 1997).

TASK VARIABLES: Work Related Variables that can add to Work-Life Stress Many employees are experiencing long working hours, intensified workloads, constantly changing work practices and job insecurities (Haworth & Lewis, 2005). Working long hours has been associated with high levels of anxiety and low levels of job satisfaction (when employees do not trust their coworkers to do their jobs well) (Jex & Gudunowski, 1992). Employee health is affected not only by a job's physical environment, but also by its psychological environment (Gilbreath, 2004).

It has been found that stress, an aversive or unpleasant emotional and physiological state (Judge & Colquitt, 2004), has a direct influence upon job satisfaction (Bacharach, Bamberger & Conley, 1991). Individuals who experience chronic work stress have been found to be positively associated with an increased risk of atherosclerotic disease (Kang, et al., 2010). Job satisfaction can be explained as the match between expectations and perceived reality for broad aspects of the job taken as a whole (Bacharach, Bamberger & Conley). Task variables are components of an individual's work life that can increase the amount of stress that they encounter. Some of the contributing factors of work stress include: factors at work, performance standards, motivation and perceived constraints.

WORK CHARACTERISTICS – The organizational environment includes the interaction between workers, risk-taking orientation, and a trusting and caring atmosphere (Chong & Ma, 2010). Organizational structure determines levels of responsibility, decision-making authority and formal reporting relations (Chong & Ma). Work domain determinants such as job autonomy, schedule flexibility, hours worked, the amount of social support provided by supervisors and coworkers, and the existence of family-friendly work policies directly influence work-life balance (Jennings & McDougald, 2007).

WORK DEMANDS: Many organizations are introducing new technologies and working practices and are consequently demanding greater flexibility in response to the pressures of competition (Haworth & Lewis, 2005). Additional work hours subtract from home time, while high work intensity or work pressure may result in fatigue, anxiety or other adverse psychophysiological consequences that can influence the quality of home and family life (White, et al., 2003).

AUTONOMY: Individuals with lower levels of perceived control over their work are more likely to report high role overload and high interference between work and family roles (Baral & Bhargava, 2010; Hall & Richter, 1988; Jennings & McDougald). Low job control has been associated with increased absence rates due to illness, mental health issues and coronary heart disease (Bond & Bunce, 2001). It has also been explained that providing employees with control over their work serves to improve stress-related outcomes, such as lowered anxiety levels, psychological distress, burnout, irritability, psychosomatic health complaints, and alcohol consumption (Bond & Bunce). Increased amount of control and discretion over working conditions and scope for social interactions also provide employees the opportunity to engage in extra-role behaviours or organizational citizenship behaviours (Baral & Bhargava).

TECHNOLOGY: Technology can both help and hinder work-life balance. Improvements to technology has helped employers make progress to how business is done, help is more accessible to clients, processes are often more efficient and employees are often more reachable. Improvements to technology have made working twenty-four hours a day, seven days a week more accessible to employees (Maxwell & McDougall, 2004). This change has led to employees working more outside regular office hours. Working more outside of regular office hours has led to increased interference with employee's home life. Individuals are expected to take whatever time is required to get the job done; they are always on the job (Seron & Ferris, 1995). Changes in technology have led to employers expecting more from employees and not always respecting employees' personal time.

MOTIVATION: Work motivation is a “set of energetic forces that originates both within as well as beyond an individual’s being, to initiate work-related behavior, and to determine its form, direction, intensity and duration” (Meyer, Becker & Vandenberghe, 2004). Individuals can be motivated both intrinsically as well as extrinsically (Meyer, Becker & Vandenberghe). Intrinsic motivation is undertaken purely for its own sake (i.e. the activity itself is enjoyable) and reflects “the inherent tendency to seek out novelty and challenges, to extend and exercise one’s capacities, to explore, and to learn” (Meyer, Becker & Vandenberghe). Extrinsic motivation refers to “the performance of an activity in order to attain some separable outcome” (Meyer, Becker & Vandenberghe). It has been widely suggested that motivation is an important factor in individuals’ decision-making process; the interaction between motivation and perception of constraints determines, in a large degree, participation in an activity (Alexandris, Tsorbatzoudis & Grouios, 2002).

PERFORMANCE STANDARDS: Performance standards and targets have been studied and used as a method to improve employees’ performance. Appropriate behaviors and performance standards are defined within the work environment (Chong & Ma, 2010). The ability and support received in meeting performance expectations enhance the individual’s self-efficacy (Gist & Mitchell, 1992). The effectiveness of performance standards depends on the relationship between the performance measure used and the organization’s objective (Sherstyuk, 2000). Task performance consists of behaviors required for a job that either directly produce goods and services or maintain the technical core (Major & Lauzun, 2010). Contextual performance is defined by those behaviors that support the broader work environment and facilitate task performance, including putting forth effort, assisting and cooperating with others, complying with organizational rules, and supporting organizational goals (Major & Lauzun). Researchers have established a connection between supervisor’s behavior and employee’s performance (Chong & Ma). Performance can be drastically improved by the supervisor providing the employee’s with useful resources and positive feedback (Mumford et al., 2002). Performance can also be enhanced when employees value their work environment and have supportive supervisors with whom they can work and trust (Chong & Ma).

ORGANIZATIONAL CULTURE: Organizational culture can also create a drive for higher performance standards. Organizational culture relates to “the assumptions, values, attitudes, and beliefs that are shared among significant groups within an organization” (van Beek & Gerritsen, 2010). Organizational culture gives employees identification and direction (Martel, 2002). There are many benefits associated with a strong organizational culture. They include: attract and retain star performers, guide and inspire employee decisions, provide fixed points of reference and stability, a more personal connection with employees, align employees with diverse interests around shared goals and export what the organization stands for (Rosenthan & Massarech, 2003). It has been suggested that work life balance programs cannot yield expected results unless the organizational culture supports use of work-life balance programs (Porter & Ayman, 2010). Organizational culture is an important aspect in the success of employee’s attaining work-life balance; if the culture does not support it employees will not feel comfortable utilizing the programs (Maxwell, 2005). Commitment to worthwhile objectives evokes moral motives that can foster satisfaction even in the absence of economic or relational benefits (Meyer & Parfyonova, 2010). Employees may find working in an organization with a strong ideology (one consistent with their own) very rewarding even if other aspects of their daily experiences are not. In other words, they may be willing to make some sacrifices (e.g. turning down more interesting or higher paying jobs elsewhere) and continue to cooperate with the organization because it is the “right” thing to do for the cause (Meyer & Parfyonova).

CONSTRAINTS: Haworth and Lewis (2005) contend that many work-life issues are the result of structural and social constraints. Godbey, Crawford and Shen (2010) explain that there are three types of constraints: structural, intrapersonal and interpersonal. Structural constraints are external constraints related to the availability of resources required to participate in activities (Alexandris, Tsorbatzoudis & Grouios, 2002). Intrapersonal constraints are primarily concerned with subjective perceptions or assessments of appropriateness and relevance of participation in a given activity by the individual in question (Godbey, Crawford & Shen). The bases for determining such appropriateness and relevance may be psychological, cultural and/or the result of genetic predisposition (Godbey, Crawford & Shen). Interpersonal constraints must be operationalized within a specific culture, in one culture, religion may play a central role in determining who one can participate in an activity, in another, it may play no role (Godbey, Crawford & Shen).

COMPETITION: Competition relates to the nature and extent of forces that are threatening to the success of an organization. While competition is often considered in positive terms (it encourages innovation and discourages complacency) it can also make working life more difficult (Bloom & Reenen, 2006). Competition can be negative because it can create high-performance practices that lead to negative spillover (White, et al., 2003). In an organization with high turnover, the excess burden is often put on remaining employees (Porter & Alman, 2010).

ROLE CONFLICT: Role conflict has been defined as the “simultaneous occurrence of two or more sets of pressures in the work place such that compliance with one would make compliance more difficult with the other” (Bacharach, Bamberger & Conley, 1991). There are three major forms of work-family conflict and they are: time-based conflict, strain-based conflict and behavior-based conflict (Greenhaus & Beutell, 1985). Time-based conflict is competition over time spent in different roles, such as work schedules, work orientation, marriage, children and spouse employment patterns may all produce pressures to participate extensively in the work role or the family roles (Gilbreath, 2004). Conflict is experienced when these time pressures are incompatible with the demands of the other role (Williams & Alliger, 1994). Similar to time-based conflict, quantitative role overload is defined as the conflict between organizational demands and the time allocated to the individual by the organization to satisfy those demands (Bacharach, Bamberger & Conley, 1991).

Strain-based conflict are work stressors that can produce strain symptoms such as tension, anxiety, fatigue, depression, apathy and irritability, these symptoms of strain exist when stress in one role affects one's performance in another role (Higgins, Duxbury & Lyons, 2010; Bacharach, Bamberger & Conley, 1991). Behaviour-based conflicts are specific patterns of in-role behavior that may be incompatible with expectations regarding behavior in another and if a person is unable to adapt, then they are likely to experience conflict between the roles (Greenhaus & Beutell).

Work/family conflict can best be understood theoretically as a form of stress response to role overload and overlapping or incompatible non-work and work demands (Watkins, 1995). Many employees are taking work home with them, which has blurred the boundary between work and family (Baral & Bhargava, 2010). It has been found that work-specific role stressors serve as predictors of job burnout, job dissatisfaction (Bacharach, Bamberger & Conley, 1991), turnover intentions and physical symptoms (Judge & Colquitt, 2004).

NEED FOR THE STUDY

- To understand the need of work life balance, and to create awareness among employees to overcome their work stress.
- Due to heavy work pressure it becomes very difficult to maintain a family life. To avoid such situation one should always try to avoid this imbalance in life and work.
- If Employees are learnt to balance their work and personal life properly then they will become more creative and they will enthusiastic in work place.
- It also leads to increase employee's productivity, lower absenteeism and a happier, less stressed workforce.

OBJECTIVE

- To analyze the employees work and life balance in the organization.
- To find out various reasons for work and life imbalances.
- To analyze the consequences of work and life imbalance in the organization.
- To give suggestion to overcome work and life imbalance.

3. RESEARCH METHODOLOGY

The methodology of this research is based on the following marketing research process. The type of research here carried here is exploratory research. Exploratory research is very useful when researchers lack a clear idea of the problems they will meet during the study. It helps the researchers to develop concept more clearly, establish priorities, develop operational definitions and improve the final research design. It also saves time & money. The required data for the study was collected both from the primary and secondary sources. The primary data was collected from the interview schedule by using a structured questionnaire. The secondary data was collected from various sources like books, magazines, journals and websites. The primary data was collected through the interview schedule which was carefully designed and was collected from the employees. Sampling technique used here is convenience sampling method, which is purposive or deliberate reflection of a particular unit of the universe for constituting a sample. The sample size of this study is 100 respondents conducted among the employees working in the TVS & SONS (Ltd) P. The data thus collected are then plotted in the master table and then they are edited, coded, and tabulated. Statistical tools such as percentage analysis, graph measures, chi-square test are used for the analysis.

DATA ANALYSIS & INTERPRETATION CHI-SQUARE TEST

1. Table showing the opinion on getting enough time and regarding the amount of time spend at work.

NULL –HYPOTHESIS: H₀ = There is no relationship between getting enough time and regarding the amount of time spend at work.

ALTERNATE- HYPOTHESIS: H1= There is a relationship between getting enough timeand regarding the amount of time spend at work.

Observed frequency	Expected frequency	O-E	(O-E) ²	(O-E) ² /E
12	10	2	4	0.4
14	10	4	16	1.6
48	59	-11	121	2.05
19	5	14	196	39.2
7	16	-9	81	5.06
				48.31

The calculate value is 48.3

The degree of freedom (c-1) (r-1)i.e (2-1) (5-1)
1*4=4%

The table value is 5%=26.6

INTERPRETATION: The research has chosen variable 1 and variable 2 of the respondents. When tested at 5% level of significance, it is found that calculated value is lesser than table value. Null hypothesis is rejected

- 1) Table showing the opinion on getting tired or depressed because of work and regarding the amount of time spend at work

NULL –HYPOTHESIS: H0 = There is no relationship between getting Tired or depressed because of work and regarding the amount of time spend at work.

ALTERNATE- HYPOTHESIS: H1= There is a relationship between getting Tired or depressed because of work and regarding the amount of time spend at work.

Observed frequency	Expected frequency	O-E	(O-E) ²	(O-E) ² /E
13	15	-2	4	0.26
19	24	-9	81	3.375
48	41	7	49	1.19
16	16	0	0	0
4	4	0	0	0
100	100			4.825

The calculate value is 4.825

The degree of freedom (c-1) (r-1) i.e (2-1) (5-1)

$1*4=4%$

The table value is $5%=26.6$

INTERPRETATION: The research has chosen variable 1 and variable 2 of the respondents. When tested at 5% level of significance, it is found that calculated value is greater than table value. Alternative is rejected

TABLE 1.AGE

AGE	NO.OF RESPONDENDS	PERCENTAGE
20-25	24	24
25-35	34	34
35 ABOVE	42	42
TOTAL	100	100

TABLE 2.GENDERS

GENDER	NO. OF RESPONDENTS	PERCENTAGE
Male	87	87
Female	13	13
TOTAL	100	100

TABLE 3. EXPPERIENCE

EXPERIENCE	NO. OF RESPONDENTS	PERCENTAGE
Less than 1 year	16	16
1-3 year	30	30
3-6 year	22	22
6 above	32	32
TOTAL	100	100

TABLE 4. SALARY

SALARY	NO. OF RESPONDENTS	PERCENTAGE
5000-7000	17	17
7000-10000	24	24
10000-15000	36	36
15000 above	23	23
TOTAL	100	100

TABLE 5. MARITAL STATUSES

MARITAL STATUS	NO. OF RESPONDENTS	PERCENTAGE
Married	72	72
unmarried	28	28
TOTAL	100	100

TABLES 6. YOU ARE CAPABLE TO BALANCE YOUR WORK AND FAMILY LIFE

ATTRIBUTES	NO. OF RESPONDENTS	PERCENTAGE
Yes	85	85
No	15	15
TOTAL	100	100

TABLE 7. YOU DO NOT GET ENOUGH TIME FOR YOURSELF

ATTRIBUTES	NO OF RESPONDENTS	PERCENTAGE
Always	12	12
Often	14	14
Sometimes	48	48
Rarely	19	19
Never	7	7
TOTAL	100	100

TABLE.8 TO CREATE A HEALTHY WORK AND PERSONAL LIFE BALANCE

ATTRIBUTES	NO. OF RESPONDENTS	PERCENTAGE
Always	6	6
Often	27	27
Sometimes	38	38
Rarely	19	19
Never	10	10
TOTAL	100	100

TABLE.9 THE LEVEL OF STRESS WHEN YOU ARE WORKING

ATTRIBUTES	NO. OF RESPONDENTS	PERCENTAGE
Always	11	11
Often	15	15
Sometimes	49	49
Rarely	22	22
Never	3	3
TOTAL	100	100

TABLE.10 YOU ARE NOT ABLE REACH YOUR GOALS CLEARLY

ATTRIBUTES	NO OF RESPONDENTS	PERCENTAGE
Always	12	12
Often	15	15
Sometimes	35	35
Rarely	24	24
Never	14	14
TOTAL	100	100

TABLE.11 FEEL TIRED OR DEPRESSED BECAUSE OF WORK

ATTRIBUTES	NO OF RESPONDENTS	PERCENTAGE
Always	13	13
Often	19	19
Sometimes	48	48
Rarely	16	16
Never	4	4
TOTAL	100	100

TABLE 12 YOU BECOME DEPRESSED IN WORK

ATTRIBUTES	NO OF RESPONDENTS	PERCENTAGE
Long working hours	28	28
Compulsory overtime	28	28
Shift work	22	22
Classes/training after officehours	17	17
Others, specify	5	5
TOTAL	100	100

TABLE 13 MANAGE STRESS ARISING FROM YOUR WORK

ATTRIBUTES	NO. OF RESPONDENTS	PERCENTAGE
Yoga	15	15
Meditation	24	24
Entertainment	28	28
Exercise	9	9
Music	18	18
others, specify	6	6
TOTAL	100	100

TABLE 14 MISS OUT ANY QUALITY TIME WITH YOUR FAMILY OR YOUR FRIENDS BECAUSE OF WORK PRESSURE

ATTRIBUTES	NO. OF RESPONDENTS	PERCENTAGE
Always	15	15
Often	24	24
Sometimes	41	41
Rarely	16	16
Never	4	4
TOTAL	100	100

FINDINGS & SUGGESTION

- 48% of the respondents feel not getting enough time to relax their self due to work over load.
- 38% of the respondents find difficult in work life balance because, they are not getting enough time to maintain healthy relationship with their family due to workpressure.
- 47% of the employees feel they are not able to reach the goals clearly due to work stress and imbalance in work and life.
- 48% of the respondents feel depressed due to over work because of less relaxationhours.
- 28% of the respondents feel very long working hours in the company.
- 41% of the respondents missing out their time with family and friends due to the work pressure
- Work pressure can be reduced by providing the some facilities such as canteen, playing music so the employees get relaxation time to reduce the stress level.
- Various relaxation activities can be conducted like yoga, meditation and team building activities .so that the employees relieve from stress.
- By increasing the employee level, bulk work can be shared and in turn the working hours will be reduced.
- Family based excursion and get together can be arranged for once in three months.
- The employees are made to get an clear understanding of goals and objectives by conducting seminars and workshops once in a month.

4. CONCLUSION

The research undertaken is the study on work –life balance .The study deals with the balance between the work and life among the employees. To analyse the reasons for work stress in the company so that bulk work can be shared and their working hours will be reduced. To get a clear understanding about the goals and objectives of the employees. They should take the necessary actions to reduce the level of depression in work and also the employees should get enough time to relax them in their work and personal life.

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THE ROLE OF EMPLOYEE EMPOWERMENT IN OVERALL MARKETING SUCCESS OF RETAIL FIRMS

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ABSTRACT

In a dynamic world of business, empowerment of employees is of strategic importance to all internal activities of an organization. The corporate world is fast moving away from bureaucratic structure of organizations to a flatter and team oriented structure. Empowerment of employees is especially important to marketing as it needs to respond to the ever-changing demands of the market. It is also observed that retailers are challenged by turbulent business environment, where the ability of the employees to take quick decisions is of prime importance. Empowerment enables employees to take up responsibilities as they are given authority coupled with the resources to take decisions and act immediately. There is a growing realization that employee empowerment is positively related to job satisfaction and organizational commitment. Empowerment focuses on liberating employees and facilitates the attainment of organizational goals. The study aims to explore the role of employee empowerment in a retail organization and also to find the relationship between employee empowerment and employee's involvement in marketing decisions of retail organizations. It further investigates the perception of employees towards empowerment. The questionnaire was administered to 100 employees of 5 retailers located in Pune. The findings of the study indicate that employee empowerment plays a vital role in the success of overall marketing strategies of retail organizations and also shows that there is a positive perception among employees towards employee empowerment.

KEYWORDS: Empowerment, Marketing Strategy & Employee involvement.

1. INTRODUCTION

It is observed that these days retailers operate in a very competitive environment; the business conditions are changing dramatically quiet often and to sustain business they need to design newer and newer strategies every now and then to achieve success in the market. This is a big challenge before retailers operating in this turbulent business environment. The challenges are coming from many fronts that many be from organizational level, strategic level, or may be from competitors and customers. The retailers are always engage most of their time in developing strategies in attracting customers at their outlets. The retailers are coming with different kind of formats, offerings, and different strategies to win over other customers. The retailers plan overall guiding path to be followed by the employees to achieve success at market place. The strategy adopted by the organization influences or plays major role in the firm's business. This affects business activities and its response to the market forces including competition and prevailing economy. Every retailer adopts to define his business in terms of goods or service category. Then retailers focus on long-term and short term goals to

be achieved. Set targets for profit market share image and many things. Retailers study consumer demographics and needs of the target market. After this retailers devise long term plans and general guidelines and it provides general guideline to the employees to perform. The retailers integrated strategy including product or service offering, store location, assortment, pricing, advertising and overall objectives to be achieved. Retailers evaluate the performance and regularly keep a watch on activities performed by the retail outlet and monitor the results.

The marketing strategies adopted by any retailer are concentrated to achieve success in the targeted market and get the desired success in the business. The marketing programs and their targets set may be designed by the talented marketing professionals but the success of the marketing program is totally dependent on the manner in which they are executed and reached to the customer by the employees of the organization. How effectively they are able to convince the customer about store offerings. How enthusiastically they have participated in the overall execution of the marketing task, how much they are involved in the designing of the marketing strategies and the way they interact with customer and get his feedback on the offering of the retail outlet and his feedback on the strategies adopted by the retailer. There is a term in retail business „total retail experience“ by the customer. Here retailers need to check with the customer that how far they have been successful in delivering the total retail experience for the customer. The total retail experience includes all the elements of the retail offering that encourage customers during their contact with the customer. There are many elements of this total retail experience which includes, everything in the retail outlet, i.e. sales people, brands carried, displays, inventory in hand, signage, parking, speed of the transactions, behavior of the staff, information about taxes and many others. If some part of the total retail experience is unsatisfactory, retailer has to pay a heavy price by way of losing the customers, repeated purchases and his opinion about the outlet.

In this process of execution of these tasks it is observed that the employees who are engaged in these activities with customers to achieve organizational goals are capable of bringing success to the retailer provided they are with the retailer. In any organization human resources are the most important living resource available with the business. They are the people who are involved in the entire business operations. It starts from the planning, decision making, and execution of the given task. People working with organization must be aware about the business they are operating, objectives of the firm, business of the firm, product offering, marketing strategy design and overall internal communication in the organization. This helps employees to deal with the customer and convince him about the offerings of the retail outlet. This is possible in the organization when employees own the firm's business. Only highly motivated employees can deliver best results for the organization.

Empowerment is the process where employees are not just delegated the work but also given the authority and responsibility to perform work effectively. Employees are also given the resources required to perform their jobs. Hence what differentiates mere delegation of work from empowerment is that empowered employees are given authority, responsibility and resources on a routine basis, to perform their job effectively. Quinn & Spreitzer (1997) suggests that there are two schools of thought, one being, empowerment is about delegation and accountability, a top-down process where senior leaders articulate a vision and specific goals, and hold followers responsible for achieving them. Whereas others believe that empowerment is more of a bottom-up approach that focuses on intelligent risk taking, growth, change, trust and ownership; followers act as entrepreneurs and owners who question rules and make intelligent decisions. Leaders tolerate mistakes and encourage cooperative

behavior in this approach to empowerment. These conceptualizations of empowerment have very different implications for leaders and followers. This confusing conceptualization of empowerment is the very reason for empowerment initiatives to fail.

Ford & Fottler (1995) argues that empowerment is a matter of degree rather than an absolute. Some employees or teams may be more empowered than others in the same organizations. Greenberg (2011) states that an important trend has been occurring in organizations these days: power is shifting downward. Top managers are granting more and more power to lower-level managers and supervisors are putting power into the hands of employees themselves. Hughes, Ginnett & Curphy (2009) Empowerment has been used by many companies to improve results, yet the success of these programs has been mixed. One of the reasons for the mixed results is that empowerment often means different things to different people. It is becoming increasingly clear that the engine for bringing success is the managers and people who do the work. Without altering human knowledge, skills, and behaviour, change in technology, processes, and structures is unlikely to yield long-term benefits. Managing retail business productivity has essentially become synonymous with managing people effectively. There are lot many challenges in the process of achieving success. Organisations must know how to do and how to get it done and how employees will react to it. In this regard, the role of Human Resource Management working with retail out let is most important. Employee management is now moving to a more strategic one (Oram and Wellins 1995). "Employee empowerment" is one of its critical success elements (Cane 1996, Albert and Bradley, 1997 & Agarwal 1998).

According to Looy (2003) with reference to the specific nature of marketing service delivery, "Empowerment becomes a very important issue to organizations producing services." Which includes retail services, Grönroos (2001) points out that employees" need to be empowered to perform, but they also need the support of good management, support systems, technology, and information. Entrepreneurs, managers and researchers in the field of management regard the employee as the major resource bringing competitive advantage to establishments, and they are of the opinion that the involvement and empowerment of employees is key to the success of establishments (Etzioni, 1961; Siegall and Gardner, 2000).

In this study, based on service related literature, the authors indicate that empowerment, service training, and service reward are positively related to job satisfaction and organizational commitment. Empowerment is a key factor to enhance job satisfaction and organizational commitment of contact employees, because thereby they obtain the flexibility to make on-the-spot decisions (Lee et al., 1999). First, role-prescribed customer service is a service provider's expected behavior derived from implicit norms in the workplace or from explicit obligations as specified in organizational documents such as job description and performance evaluation forms (Brief and Motowidlo, 1986). These expected customer services include exhibiting common courtesy, demonstrating accurate knowledge of policies and products, addressing customers by name, and greeting and saying "thank you" to customers (Bettencourt and Brown, 1997). This behavior also improves customer satisfaction, service quality perception, loyalty, and sales performance (Bitner et al., 1990; George, 1991; Keaveney, 1995).

REVIEW OF LITERATURE

EMPLOYEE EMPOWERMENT DEFINED

Hersey, Blanchard & Johnson (2008) suggests that employee empowerment is a popular management theme, which is an extension of delegation. It entails reduction in the authority of the supervisor and distributing it to the employees. Hughes, Ginnett & Curphy (2009) defines empowerment as having two components. First, for leaders to truly empower employees they must delegate leadership and decision making down to the lowest level possible and the second component is to equip followers with the resources, knowledge and skills necessary to make good decisions. Spreitzer (1995) defines psychological empowerment as a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact. Together, these four cognitions or dimensions reflect an active orientation to a work role, in which an individual wishes and feels able to shape his or her work role and context. These four dimensions combine additively to create an overall construct of psychological empowerment.

Atchison (1991) defines empowerment as giving employees both responsibilities and authority to make decisions pertaining to all aspects of their work, including product development or customer service. The employees are then held accountable for the product or services they produce. In turn the employees are compensated by sharing the resulting profits or losses of the company.

EMPLOYEE EMPOWERMENT PERSPECTIVES

Empowerment focuses on liberating employees and not controlling them and balancing the attainment of personal and organizational goals. The management implements these processes by delegating and encouraging employees to take up leadership roles in the organization (French, Rayner, Rees & Rumbles 2011). The results of empowerment are more rewarding and useful. Empowerment will allow the supervisors to focus more on the important tasks and will make the employees more effective and happier (Ransom, 1992). Nelson & Quick (2011) emphasizes that empowerment requires the development of some skills like Competence Skill, process skills, cooperative behavior and Communication skills. Harari (1993) views empowerment as a tool to liberate employees from organizational constraints, which brings about proactive behavior and accountability. Empowerment is a feeling and an experience as a consequence of liberation. Power cannot be transferred from one person to other, it is condition where people feel powerful and choose to create power for themselves.

The important assumption of empowerment is that everyone has an internal need for self-determination and a need to cope with environmental demands directly (French, Rayner, Rees & Rumbles 2011). Mullins (2010) emphasizes that the empowerment facilitates the removal of constraints and grants autonomy to employees for taking independent actions without having to consult their supervisors. Johnson, Scholes & Whittington (2011) argues that instead of having only a top-down approach to empowerment, the only way to truly empower employees, is to accept responsibility at every level in terms of bringing in fresh ideas, for innovation and also for managing change. This would naturally call for more employee participation in an effort to bring about change. Schermerhorn, Hunt, Osborn & Uhl-Bien (2011) argues that in an empowered environment, higher authority and sanctions must be

replaced by reason, friendliness must replace coercion and negotiation & mutual agreement must replace orders for compliance. Leaders also play a very crucial role in empowering employees. George & Jones (2008) argues that managers and other employees of the organization needs to change the way they think about decision making in order to create empowered employees. One of essentials of empowerment is to spread the responsibility of decision making among all the employees of the organization.

RESEARCH METHODOLOGY OBJECTIVES

The research was specifically designed to:

- To study the role of employee empowerment in a retail organizations.
- To study relationship between employee empowerment and their involvement in marketing decision of a retail organizations.
- To know the perception of employee towards the employee empowerment.

PROBLEM STATEMENT

Employee empowerment in the retail organizations plays a significant role in achieving marketing objectives.

HYPOTHESIS

H1: There is a positive perception in the mind of retail employee about the employee empowerment (requires a rating of 4 or higher on five point scale).

H2: Positive perception towards employee empowerment of employee leads high level of participation in the overall marketing activity.

RESEARCH DESIGN

The research tries to determine the role of the employees in achieving the overall marketing success of the retail firm also trying to understand the role of employee empowerment in retail. The relationship between employee empowerment and success of a retail firm is to be studied hence a descriptive research design has been used.

METHODS OF DATA COLLECTION

Secondary data regarding retailer's profiles, outlets, and their marketing activities menu items was obtained from company websites.

The primary data collected for the research was by means of questionnaires administered to the employees working with the organized retail firms in Pune city. During lunch breaks/ tea breaks of the employees data was collected outside the retail stores. The questions were related to their involvement in the marketing decision of the firm, Employees involvement while taking suggestions for improvements in marketing functions of the firm, participation in setting the goals and objectives for my job considering marketing objectives

Five point Likert scale use for measuring the response of respondent.

SAMPLE DESIGN

The sampling design used for the research study is “Purposive sampling”.

TYPE OF UNIVERSE

An infinite universe shall be taken into consideration because we have no idea about the total number of employees working with the retail outlets at any given day.

SAMPLING UNIT

The study was carried out at various retail located in the city of Pune, This includes the following areas where organized retail outlets were located

- 1) Ferguson College Road
- 2) M.G. Road
- 3) Ganeshkhind road
- 4) Law College Road
- 5) Koregaon Park

SAMPLE SIZE

Based on the sampling unit, which includes five retail outlets, we decided on an average sample of 20 employees per outlet. Our total sample size, therefore, constitutes 100 employees.

SAMPLING PROCEDURE

The survey was conducted at organized retail outlets and only employees coming out during breaks were considered because the employees were very busy and there was no time in responding to the researchers’ questions as employees are always busy in retail outlets. The purposive sampling is used because one can be sure that the respondent is employee of the retail outlet and chances of getting a proper response without any bias increases.

DATA PROCESSING AND ANALYSIS

TABLE-1: PERCEPTION OF EMPLOYEE TOWARDS THE EMPLOYEE EMPOWERMENT: RESPONSE DATA

Statement on employee empowerment	Response Rate				
	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1) Employees should participate in decision making.	1	2	6	51	40
2) Employees should have responsibility and authority to break the rules to enable excellent service and total customer satisfaction.	-	7	10	44	39
3) Organization should provide upgraded knowledge for employee empowerment.	1	5	12	27	55
4) Employees should set and monitor their marketing goals.	-	3	8	50	39
5) Employees should decide when to start and finish work.	2	2	18	37	41
6) Employees should be free to restructured the marketing activity	-	-	14	69	17

TABLE-2: MEAN SCORE FOR PERCEPTION OF EMPLOYEE TOWARDS EMPLOYEE EMPOWERMENT

S.No.	N	Dimension	Mean Score
1.	100	Employees should participate in decision making.	4.2700
2.	100	Employees should have responsibility and authority to break the rules to enable excellent service and total customer satisfaction.	4.1500
3.	100	Organization should provide upgraded knowledge for employee empowerment.	4.3000
4.	100	Employees should set and monitor their marketing goals.	4.2500

5.	100	Employees should decide when to start and finish work.	4.1300
6.	100	Employees should be free to restructured the marketing activity	4.0300
Total mean score for			4.1833

TABLE-3: MEASURES FOR ACTUAL PARTICIPATION OF EMPLOYEES IN MARKETING ACTIVITIES

S. No.	N	Dimension	Mean Score
1.	100	Employees Involved in making marketing decisions.	4.3700
2.	100	Employees set and monitor their marketing goals.	4.0300
3.	100	Employees collected and works on all the information required executing the tasks.	3.5200
4.	100	Employee's suggestions and new ideas are well received by seniors.	4.0200
5.	100	Employee's gain expertise and they are more involved in the decision making of marketing functions.	4.0500
6.		Our Employees decided when to start and finish work.	4.0300
Total mean score for			4.0033

TABLE-4: CORRELATION ANALYSIS BETWEEN PERCEPTION OF EMPLOYEE TOWARDS EMPLOYEE EMPOWERMENT AND ACTUAL PARTICIPATION OF EMPLOYEES IN MARKETING ACTIVITIES

Variables		Employee empowerment	Success of Marketing
Employee empowerment	Pearson Correlation	1	.874**
	Sig. (2-tailed)	-	.000
	N	100	100
Success of Marketing	Pearson Correlation	.874**	1
	Sig. (2-tailed)	.000	-
	N	100	100
*Correlation is significant at the 0.01 level (2-tailed).			

RESULT

Table 1 shows the Response Data for Perception of employee towards the Employee Empowerment. This response rate measures on five point Likert scale from 1- strongly Disagree to 5- Strongly Agree. The purpose of use of Likert scale is, the Likert scale is the best measures for attitudinal statement. Table 2 also shows that the response given by all respondents for the 6 statement of employee empowerment, which suggests that maximum number of retail employees respond positively that is strong agreement for the employee empowerment.

Table 2 proves the hypothesis 1 that is there is a positive perception in the mind of retail employee about the employee empowerment. It shows that total mean score of 6 statements related to employee empowerment is calculated 4.1833, which is more than 4 on 5 point Likert scale.

Table 4 exhibits the correlation between employee empowerment and actual participation of employees in marketing activities, it show that these two elements that is, employee empowerment and actual participation of employees in marketing activities, are highly (positively) correlated each other. The employee empowerment and actual participation of employees in marketing activities show the value of correlation is 0.874, which means that there is a strong (positive) relationship between these two variables. This implies that Positive perception towards employee empowerment of employee leads high level of participation in the overall marketing activity. Pearson's r is 0.874; this number is very close to 1. For this reason, we can conclude that there is a strong relationship between perception of employee towards employee empowerment and actual participation of employees in marketing activities. The Sig. (2-tailed) value is 0.000 shows that there is a statistically significant correlation between these variables.

The interesting interpretation by above data is that the average of perception of employee towards employee empowerment and actual participation of employees in marketing activities is not identical. The mean score of perception of employee towards employee empowerment is higher than actual participation of employees in marketing activities, it means that some employees has a positive perception towards employee empowerment but they are not actually participate in marketing activities, and other decision making activities, even though these things enhance employee empowerment.

CONCLUSION

Result shows that the employee empowerment plays a vital role in the success of overall marketing (strategies) of the organization (retail). Result also shows that there is a positive perception of retail industry employees towards the employee empowerment. Strategy (marketing) maker must know that, it is important to involve employees of the organization while formulate the strategy (marketing), this things are helpful for the employee empowerment. Result shows that that employee has positive perception towards the employee empowerment they are also highly participate in different marketing activities. It is necessary for the retailers to increase the interest or create a positive perception of every retail employee towards the employee empowerment.

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CASE STUDY IN MANAGEMENT: CREATING & SUSTAINING BUSINESS

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INTRODUCTION

This book CASE STUDY IN MANAGEMENT: Creating & Sustaining Business is a collection of various case studies to be utilised for management education. As the case studies are the integral part of management education, INMANTEC Business organised a platform for developing case studies through a competition. This competition was organised in April 2011. A special way of applying the case study method is through competitions in which students solve case studies from the field of Management. To organize a competition with case studies with subjects from Management it is important that there is collaboration between companies, teachers, and students who are active participants in competitions

The participants in the application of the case study method are the students and teachers. Accordingly, the areas of knowledge and experience that both students and teachers possess differs and these have to be understood in order for the method to be adequately implemented. The area of expertise that relates to the application of case studies assumes that students will receive an explanation as to their role in the case study method, which includes preparing for the class, active studying during the class, and the active evaluation of knowledge after class in which the case study method was employed, To prepare with teachers, to register for competitions, to solve case study problems in teams, to present solutions, and to evaluate their knowledge after competing.

To evaluate the cases submitted, a committee was constituted by Inmantec and this committee comprising Prof Vinay Gupta ,Ex General Manager-HR NTPC & V.P of JP group and currently executive Director GMA (Ghaziabad Management Association), Mr.L.K.Gupta ex General Manager HR ,and Currently working as management consultant, Prof U.C Mathur, Director-MDP Inmantec & Prof R.K Singal, dean management Studies, Inmantec. Company representatives who participated in the jury at the competitions that involve solving case studies in the subject of Management are giving their opinion about the advantages and disadvantages of case studies. All company representatives work on the top level of management and they participate like members of the jury at competitions involving the subject of Management from 2006 to 2011 at the local, national, and international level. When the importance of student acquisition skills in applying the case study method is analyzed, company representatives mostly evaluate students' creative solving skills and presentation skills; while connecting theories and real-world problems, teamwork skills and applied knowledge are graded as if they are very important. Collaboration between companies, higher education institutions, and company representatives consider time management very important.

Out of large number of case received, few cases were short listed and authors have presented their cases before the panel. The book is comprising number of cases in most of the areas of Management.

The book also presents concept of Management case study competitions, the role of different participants: company representatives, teachers and students. Book also provides clear guideline for teachers explain the teaching plan which professor should use in the class when work with case study. This book is useful for top talent students and top companies who want to hire them. Extracurricular activities are precious for every ambitious student. Case solving competing means that and more. It means having the opportunity to work with also ambitious students.

SOARING GOLD PRICES – A CAUSE OF CONCERN

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ABSTRACT

The article talks about the increase in the price of gold at an alarming rate. Though the price rise in gold is a cause of concern world over, especially in India the demand for this yellow metal is constantly on the rise irrespective of its price. The government is forced to import huge quantities of gold to cope with the domestic demand as the production of the same is limited in India. The article tries to focus on the futile expenditure we are making in buying gold keeping other priorities aside. The article also throws light on how the price of gold is fixed in the international bullion market. It makes a comparison between the per capita incomes and their demand for gold in various countries with India. The article also tries to identify the reasons for the rise in the price of gold and tried to suggest some interventions from the government in order to address this serious issue.

INTRODUCTION

Gold lures every Indian despite its price. Indians believe that gold is essential to buy for the wealth and protection needs. It is estimated that the physical gold held by households in India amounts to 15000 tons. People in no other part of the world buy and fancy so much of gold as the Indians do.

Of late, we have seen gold prices soaring all time high. Gold was used till recently as a hedge against inflation, though it could not beat the inflation. Now the gold prices are going beyond the reach of common man. From times immemorial, Indians are obsessed with the owning of gold so much that the parents across India would accumulate this yellow metal and hand it over to the coming generations as a legacy. This gold mania has helped the bullion industry to thrive in India, thus making it the largest consumer and importer of gold. Still, we find hundreds of new gold jewellery shops coming up every year. Gold finance companies like Muthoot finance and Manappuram group and many more have sprouted across India. The proliferation of loans against gold schemes offered by banks and these non-bank financial companies has made the metal even more liquid. Gold ETFs are also gaining popularity tremendously.

Years	Rate of Gold Per 10 Gram. (In Rupees)	% Increase in Prices (2009 as base year)
2009	14600	
2010	18860	29
2011	22100	51
2012	31000	112

People across the world are buying the gold due to currency crisis, real estate crisis, price inflation and stock market crisis. They understand that only investment in the Gold is the safe investment as it is very much liquid. With this, demand for gold internationally has increased.

The following chart shows the average gold price and the global demand for gold for 1999-2010.



Source: GMO, GFMS Ltd., World Gold Council, Bloomberg

As India's domestic production is very low, the rising demand for gold has necessarily to be sourced from outside the country. The following data shows the Gold imports over the period 2001-02 to 2010-11.

GOLD IMPORTS - US DOLLARS (US \$ MILLION)

Year	Gold Import	Total Import	Percentage Share
2001-02	4170.4	51413.3	8.1
2002-03	3844.9	61412.1	6.3
2003-04	6516.9	78149.1	8.3
2004-05	10537.7	111517.4	9.4

2005-06	10830.5	149166	7.3
2006-07	14461.9	185735.2	7.8
2007-08	16723.6	251439.2	6.7
2008-09	20725.6	298833.9	6.9
2009-10	28640.1	288372.9	9.9
2010-11	33875.8	352574.9	9.6

Source: RBI

The table shows that the share of gold in the total import bill of the country has risen from 8.1% in 2001 to 9.6% in 2010-11. In terms of value, it has risen from US \$ 4170.4 million in 2001-02 to US \$ 33875.7 million in 2010-11.

According to official estimates, gold imports rose from \$3.8 billion in 2002-03 to \$10.5 billion in 2004-05, \$28.6 billion in 2009-10 and an estimated \$57.5 billion in 2011-12. India imported \$39.5 billion worth of gold during April-December 2012. Market estimates suggest that imports amounted to 100 tonnes in January 2012, which is 40% higher than the average monthly import during 2011.

HOW IS THE GOLD PRICE DETERMINED?

What is fascinating is that despite the high price, people do not stop buying it still. Though gold is one of the oldest forms of investment, many of us do not understand how the price of gold is set. Therefore it is important to know the possible factors for the steep price rise that could be attempted in the following points.

Once upon a time, the value of gold was based on the gold standard where the countries were to print their currency based on the gold reserves. However, the gold standard ended on 15th August 1971, when the governments were given freedom to print as many currency notes as they deem fit. But today, the price of the gold is set by “London Gold Fixing”, which is a meeting of five members of the London Gold Pool and is conducted twice a day by telephone at 10.30 am and 3.00 pm GMT. Silver is fixed daily at noon by three members of silver market fixing. The fixing price of each metal is used as a bench mark for pricing metal contracts between dealers, mining companies, fabricators and refineries throughout the world. These price fixings are not conspiracies but auction markets in the actual sense. The purpose of gold fixing is to settle the contracts between the members of the London Bullion Market. The gold fix generally involves dealers from London’s five biggest bullion banks. Moreover, these member institutions handle massive large-scale buying and selling of gold on behalf of other financial institutions.

In this process, the chairman of the gold fix announces the estimated spot price of gold. The participating banks decide on the quantity of buyers and sellers at that particular price. If there are more buyers than sellers, the chairman will adjust the spot price upward and downward, if there are more sellers. This process is continued until equilibrium is achieved, and this becomes the spot price of gold. The spot gold prices are fixed on a daily basis, and this fix is used worldwide as a benchmark for gold dealers. The spot price of gold is primarily used for investing and

speculating in commodity futures contracts. The liquidity of this central marketplace has a lot of influence on the value of the physical metals. That's why people all over the world pay attention what's going on in this exchange.

The following are the other determinants or possible reasons for rise in gold prices.

DEMAND AND SUPPLY: Just like any other commodity, the gold prices are largely influenced by the forces of demand and supply. The gold spot price is influenced by the dynamics of demand and supply. Supply flows include mine production, central bank sales and recycled gold. Central bank purchases, industrial, investment and jewellery include the Demand flows. Large gold traders are able to adjust the prices up or down to their advantage.

SUCCESS OF REAL ESTATE: Another factor influencing the rise in the gold prices is success of real estate market. When there are low and negative returns in real estate, the investment focus shifts to procurement of gold typically increasing the gold prices.

INFLATION: One common explanation for the increase in gold price is ever increasing inflation all around the world. With the rising inflation, people lose faith in the economic values of their currencies. As a result, people consider gold to be a safer bet than any other commodity to deal with price rises.

SEASON: Jewelry makers and sellers are the major participants in the gold market, so when there is a demand for jewelry, gold prices usually will soar.

INVESTMENTS IN GOLD BULLION: Individuals and institutions invest in gold by buying gold bullion, gold bars and gold exchange-traded funds (ETFs), among other ways. All of these types of investments have an effect on gold prices.

Officials refer to an "international membership" for this exchange, where a great deal of its business represents parties overseas.

SPECULATION: The speculative element in the gold market also contributes to prices. When speculators buy gold or sell gold futures or ETFs and through other gold trading vehicles, their participation in this market has an impact on gold prices.

INDUSTRIAL DEMAND: Gold is widely used in dentistry and electronics industry. Politics, natural disasters, war, major economic policies and world economy also affect the gold prices.

IS INCREASE IN GOLD PRICES A BUBBLE?

Legendary investor Warren Buffet has warned of a bubble in the gold price that may burst and said that current high prices are being driven by fear and belief that the prices will grow and past decade proved that the belief is correct. Analysts expect that demand for gold will remain strong in the days to come as gold is regarded as offering protection against inflation and hence is in demand when the prices are rising.

From the investor's point of view, Gold ETFs are a good investment avenue in these days of rising inflation. These are Exchange Traded Funds that employ a passive management strategy as they are generally designed to track closely the price of physical gold. Every gram of gold purchased

through demat a/c lets the investor own the gold without physically possessing it. There are many good reasons why to invest in gold ETFs.

- One can own gold without physical possession.
- It provides the benefit of liquidity and marketability which is a limitation of owning physical gold.
- Any amount of gold can be traded during market hours just like normal stocks and can reap the advantage of volatility of the market.
- Owning gold ETF is cheaper and safer than owning physical gold as the storage or carrying cost is nil. One need not spend sleepless nights worrying about the home/bank locker.

Periodic investment in gold ETF is the best investment avenue for those who want to accumulate gold for daughter's wedding as retail investors can buy gold as little as 1 gram or less. Early investments in life give an advantage of accumulating quite an amount of gold without much pain.

INDIA'S DEMAND FOR GOLD IN THE GLOBAL SCENARIO: To understand

whether India's obsession with gold is justifiable, we can look at the gold demand alongside some other key economic variables like GDP, Forex reserves and Total Reserves.

CONSUMER'S GOLD DEMAND VIS-À-VIS GDP

	Consumer demand in selected countries 12month ended Q3'11* (Tonnes)			GDP 2010-11 (US \$ Trillion)
	Jewellery	Total bar and coin invest	Total	
India	649.9	409.1	1059	1.6
China	508.9	260.8	769.7	5.9
Russia	70	-	70	1.5
USA	119.3	94.2	213.5	14.8
UK	25.2	-	25.2	2.2
World Total	2018.2	1409.2	3427.4	

Source: ASSOCHAM Report

From the table, it is evident that India's GDP is no where closer to that of China and USA.

In terms of percentage share India's GDP is 27.7 percent of China and a meager 11.0 percent of USA.

But the consumer demand is higher than any of these countries.

GOLD AS A PERCENTAGE OF TOTAL RESERVES

Country	Q3 2011
Brazil	0.501
China	1.675
India	9.285
Russia	8.581
United Kingdom	16.991
United States	75.503

Source: World gold council, ASSOCHAM Report

In spite of India being the largest importer of Gold in the world, its share in total reserves of the country is lower than that of USA and UK. Though India leads in terms of demand for gold, it lags behind in terms of other important economic variables.

Gold does not add to the productive capacity of the country as the gold procured by the people is either stored in the lockers or converted into jewellery. The huge amount spent in importing the gold is just locked up for unproductive purpose.

IN THE HOME FRONT**CENTRE AND STATE'S BUDGETED EXPENDITURE**

Expenditure	2010-11 (US \$ Billion)
Education, art & culture	46.23
India's Gold Imports 2010-11 (US \$ Billion) 33.9	
Medical & public health and water supply & sanitation	16.44
Food Subsidy	11.70
Social security & welfare(P)	11.12
Fertiliser subsidy	10.00
Urban development	7.09
Housing	4.09
Family welfare	2.89
Posts & Telecommunications	0.11

Source : ASSOCHAM Report

It is evident from the above figures that the budgetary allocation of the centre and the state is more for the gold imports in 2010-11 rather than for some of key developmental expenditures other than for education.

The foreign exchange resources that is used to import gold, freezes the domestic savings and reduces the resources available for the import of other crucial commodities.

It would be a huge burden on the Balance of Payments and creates huge pressure on the current account. Even in the opinion of RBI, the current account deficit is a cause of concern which is due to the inelasticity of the demand for gold and crude oil.

INDIA'S BALANCE OF PAYMENTS (US \$ MILLION)

Year	Merchandise Exports	Merchandise Imports	Trade balance	Invisibles	Current account
2000-01	45452	57912	-12460	9794	-2666
2001-02	44703	56277	-11574	14974	3400
2002-03	53774	64464	-10690	17035	6345
2003-04	66285	80003	-13718	27801	14083
2004-05	85206	118908	-33702	31232	-2470
2005-06	105152	157056	-51904	42002	-9902
2006-07	128888	190670	-61782	52217	-9565
2007-08	166162	257629	-91467	75731	-15737
2008-09	189001	308521	-119520	91605	-27915
2009-10	182235	300609	-118374	79991	-38383
2010-11	250468	380935	-130467	86186	-44281

Source: RBI

INDIA'S BALANCE OF PAYMENTS EXCLUDING GOLD IMPORT (US \$ Million)

Year	Merchandise Exports	Merchandise Imports	Trade balance	Invisibles	Current account
2000-01	45452	53790.4	-8338.4	9794	1455.6
2001-02	44703	52106.6	-7403.6	14974	7570.4

2002-03	53774	60619.1	-6845.1	17035	10189.9
2003-04	66285	73486.1	-7201.1	27801	20599.9
2004-05	85206	108370.3	-23164.3	31232	8067.7
2005-06	105152	146225.5	-41073.5	42002	928.5
2006-07	128888	176208.1	-47320.1	52217	4896.9
2007-08	166162	240905.4	-74743.4	75731	987.6
2008-09	189001	287795.4	-98794.4	91605	-7189.4
2009-10	182235	271968.9	-89733.9	79991	-9742.9
2010-11	250468	347059.3	-96591.3	86186	-10405.3

Source: RBI

The above data shows that the current account deficit gets accentuated due to the heavy gold imports. Whereas, the current account balance position would be much better if there had been no gold imports and the position is in surplus until 2007-08.

WHAT SHOULD THE GOVERNMENT DO?

The government has to take certain initiatives to address this issue and help increasing the productivity of the economy.

- The government has already made its move in this direction by increasing the import and excise duty on gold and silver, almost doubling the duty by fixing the new rates based on value i.e., 2% on 10gms gold and 6% on 1kg silver.
- As per the World Gold Council report² India has one of the highest saving rates in the world estimated to be around 30% of the total income out of which 10% is invested in gold. The growing demand for gold indicates that people are looking at lucrative options to invest their savings. The financial sector has a great opportunity to tap this huge saving.
- As per the World Gold Council report only 21% of the rural population has an access to the financial sources for investment. They opt for gold purchase rather than going for banks for investments as buying gold is easier than bank accessibility. The government should make its rigorous efforts to harness its financial inclusion programme by bringing small post offices in the rural areas into its fold.
- Impose restrictions on purchase of gold just like it has imposed restrictions on the procurement of number of LPG cylinders in a year.
- People buy gold as it is highly liquid. Whereas it takes time to liquidate the other investments. Adding liquidity to the alternative investment avenues could help in reducing the problem to some extent.

- The government should encourage financial sector to come out with innovative alternative investment avenues like the real estate mutual funds and other funds which imbibe liquidity and high returns.

Nevertheless, gold has been seen as an important investment, being a store of value that benefits from price appreciation, which is normally higher than the increase in the general price level. This makes the commodity a good hedge against inflation.

A report from an RBI working group argues that imports cannot be curbed beyond a point, either with tariffs or quantitative restrictions, since that would only encourage smuggling. The govt. has to search ways if it exists, to satisfy the appetite for gold without having to import the commodity that is not produced in the country.

For ages, the people on earth have been fascinated by this yellow metal. Even the investors and the government treasury are behind the gold procurement. Research says that only 25% of the gold is demanded for investment purpose but 75% of gold is purchased for making gold jewellery. Even during the serious economic slowdown in India, the gold prices are showing a tendency to increase greatly. This is because the people still see gold as a stable asset and best commodity for barter, in case the paper currency ceases to hold value. We just have to wait and watch the new heights the gold prices are going to reach and to what extent the people's hunger for accumulating gold would gratify.

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CONSUMER'S PREFERENCE AND CONSUMER BUYING BEHAVIOUR OF FOOT WARE INDUSTRY IN VAVUNIYA DISTRICT, SRI LANKA

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ABSTRACT

The continuous and rapid changing environment, competitive conditions, and dramatic innovation in the information technology, customer is the basic cause for existence of any business. Meeting the needs of those customers more effectively than competitors is the key to continued profitable existence for many businesses. The main purpose of the study is to identify how perception influences on the purchase. The researcher explores the research findings of consumer perception and preference on plastic furniture in the Vavuniya District. The data collected from the 300 respondents have been analyzed in connection with personal information for research information. Statistical Package for Social Science (SPSS- version 13.0 for window) has use to analysis the data. Descriptive statistics and factor analysis are used to get the results. The mean value of product is 3.8650 with the standard deviation of 0.52314. The mean value obviously indicates that product is high influencing the consumer purchasing. Finding of the research is the mean analysis, there is high positive relationship between marketing mix and consumer perception (Mean =4.0040). So, the marketing mix influences on the consumer perception.

KEYWORDS: Preferences, Marketing Mix, Buying behavior.

INTRODUCTION

Today's consumers face a growing range of choice in the products and services they buy. They are making their choice on the basis of their perceptions of quality, service and value. It is necessitated that companies in order to survive and grow in the competitive market needs to understand the determinants of customer value and satisfaction.

Every firm handles the marketing strategies to make the consumers purchase towards their brand. Pride and Ferrell (2000) claims marketing strategy articulates the best use of the firm's resources and tactics to meet its objectives. This marketing strategy helps to shape the perception of the customer. On the other hand buyers have different characteristics. This differentiation also has an influence on purchase, through perception.

The perception can create by brand behaviour, marketing strategies, buyer's characteristics, and decision-making process. In the modern business world, a number of brands are available in the market. Kotler and Armstrong (1995) state that consumers views a brand as an important part of a product and branding can add value to a product.

Nowadays plastic furniture has become an essential part in the life styles of the people, changing in lifestyle and household composition affecting the need for home furnishing and prompting various purchases. Impulse purchasing stimulated when consumers see something new or beautiful. Many brands of plastic furniture are now available in the market, in many variety, design, colour, price, quality and quantity. So they are making their choices on the basis of perception and preference. Perception means "a process by which individuals organize and

interpret their sensory impression in order to give meaning to their environment” (Robbins, 1999). Of those brands that are considered acceptable, some are preferred over others. Preference leads to some level of commitment as evidenced by a purchase or intention to purchase. Marketers must study their target customers’ want, perception, preference, attitude and their buyer’s characteristics.

When analyzing the purchase of any product consumer perception and preference should be considered. Therefore this study is intended to focus on the customer perception and preference towards plastic furniture in Vavuniya District.

RESEARCH PROBLEM

Today many brands, designs, models, variety, and colour in the market which influence in the family choice of furniture, so consumers confuse in such product of furniture selection and those factors should be taken by the seller and which factor determine the buyers behaviours towards purchasing?

To what extent the factor (market mix) influence on consumer perception?

OBJECTIVE OF THE STUDY

Following specific objectives are developed to research study.

- 1) To identify the factors in the marketing mix that influence consumer purchasing decision.
- 2) To identify, how decision-making process helps to make consumer’s decision.
- 3) To analyze the factors highly influencing current plastic furniture market and thereason for it.

HYPOTHESIS

The following hypotheses developed for this research study.

H1: There is positive relationship between Marketing mix and Consumer perception. H0: There is no relationship between Marketing mix and Consumer perception.

LITERTURE REVIEW

Keller (2000) state that the power of brand lie in the mind of consumers, in what they have experienced and learned about the brand over time

As Baker said, marketers have experimented with different combination of product, pricing, promotion and distribution. Neil H. Borden (2000) closed marketing mix into 12 components. Borden known that his list wasn’t definitive, and suggested that others may have different perspectives. In 1950s, E. Jerome Mc Carthy (1975) developed the “four Ps”, which has become the most enduring framework of the marketing mix. For many years these have been used as the principal foundation on which a marketing plan is based.

The decision-making process as a whole, as well as each stage in the process, is influenced by a number of external influences (for example the family, culture and reference group) as well as internal influences (for example perception, motivation and personality) (Hawkins &

Mothersbaugh, 2010: 27; Schiffman et al., 2008:75); Rousseau, 2007:261; Blackwell et al., 2006:71).

Hawkins and Mothersbaugh (2010:278) explain that perception begins with consumers' exposure and attention to marketing stimuli and ends with their interpretation of the stimuli. Etzel, Walker and Stanton (2007:102) and Longenecker, Moore, Petty and Palich (2006:270) add that consumers' perception is not only determined by the characteristics of the stimuli, but also the characteristics of the consumer him- or herself. It is therefore essential that marketers obtain a thorough understanding of their target markets as well as how consumers will perceive various marketing-related stimuli. For example, Etzel et al. (2007:16) explain that the four elements of the marketing mix, namely product, place, distribution (or location in the case of a store) and promotion, could influence consumers' perceptions of the business, and therefore their selection of a store.

Manning and Reece (2007:202), Longenecker et al. (2006:284-287), and Wood (2004:201) suggest that customers perceive the product's value based on its benefits which, in turn, is influenced by the product's performance, features, quality, warranties, packaging and labelling.

Kotler (2000) defined perception as "the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world". According to Schiffman, and Kanuk (2001) just as individuals have perceived images of themselves, they also have perceived images of products and brands.

Schiffman and Kanuk (2001) views, perception has strategy implications for marketers, because consumers make decisions based on what they perceive, rather than on the basis of objective reality. Pride and Ferrell (2000) states that the Selective distortion is an individual's changing or twisting of received information when it is inconsistent with personal feelings or beliefs.

Procter (1996) states that the selective attention implies that people only pay attention to a small proportion of what is going on around them all the time. According to Pride and Ferrell (2000), selective exposure is the process of selecting some inputs to be exposed to our awareness while ignoring others. Because of Selective attention means that marketers have to work hard to attract consumer attention.

Pride and Ferrell (2000) states that People can emerge with different perceptions of the same object because of three perceptual processes: selective attention, selective distortion, and selective retention.

According to the Wikipedia description of marketing mix, "The term „marketing mix“ was coined in 1953 by Neil Borden in his American Marketing Association presidential address. However, this was actually the reformation of an earlier idea by his associate, James Culliton, who in 1948 described the role of the marketing manager as a „mixer of ingredients. The concept of the four P's became associated with the marketing mix in 1960 when "a prominent marketer, E. Jerome McCarthy, proposed a Four P classification...which has seen wide use. The Four P's concept is explained in most marketing textbooks and classes"

Kotler and Lane Keller (2006) define the marketing mix the set of controllable variables and their levels that the Firm uses to influence the target market.

"A product is any offering that can satisfy a need or wants. Such as goods, services, experience, events, persons, place, properties, organization, information and ideas" (Kotler 1995)

Labels show nutritional information as well as ingredients. This information list shows the calories, protein, vitamins, and minerals in each and every one, so we can compare and contrast the nutritional value of different brands of the same product to be sure we are getting the money's worth. Price is the amount of money charged for a good and service. More broadly, price is the sum of the values that consumers exchange for the benefits of having and using the goods or services. (Kotler – 1995)

Consumers use price as an important extrinsic cue and indicator of product quality or benefits. High-priced brands are often perceived to be of higher quality and less vulnerable to competitive price cuts than low-priced brands (Blattberg and Winniewski 1989; Dodds, Monroe, and Grewal 1991; Kamakura and Russell 1993; Milgrom and Roberts 1986; Olson 1977). Therefore, price is positively related to perceived quality. Rao and Monroe (1989) show that a positive relationship between price and perceived quality has been supported through previous research. By increasing perceived quality, price is related positively to brand equity.

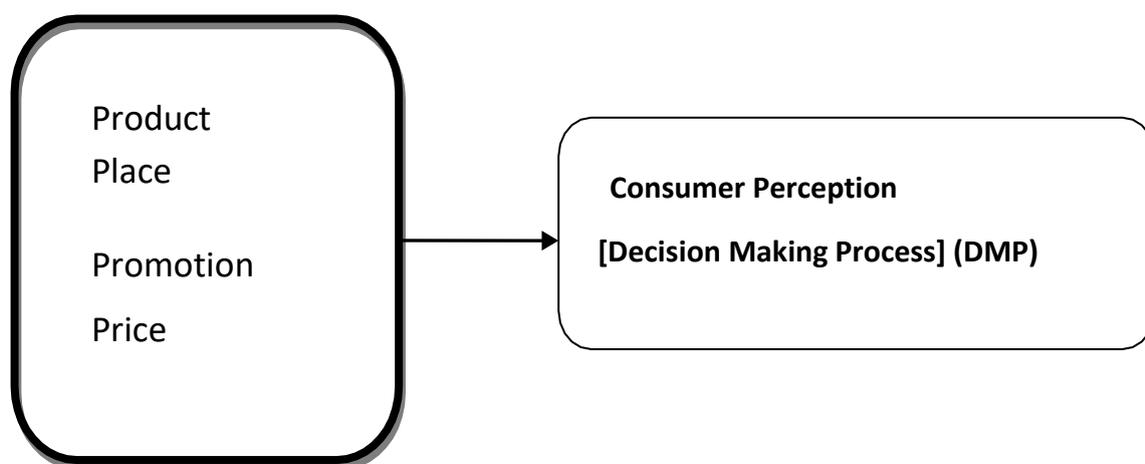
Overwhelmingly, advertising researchers found advertising is successful in generating brand equity, whereas sales promotion is unsuccessful (Boulding, Lee, and Staelin 1994; Chay and Tellis 1991; Johnson 1984; Lindsay 1989; Maxwell 1989). Simon and Sullivan (1993) find a positive effect of advertising spending on brand equity.

Advertising is an important extrinsic cue signaling product quality (Milgrom and Roberts 1986). Heavy advertising spending shows that the firm is investing in the brand, which implies superior quality (Kirmani and Wright 1989). In addition, Archibald, Haulman, and Moody (1983) find that advertising spending levels are good indicators of not only high quality but also good buys. Aaker and Jacobson (1994) also find a positive relationship between advertising and perceived quality.

Good-image stores attract more attention, contacts, and visits from potential customers. In addition, such stores provide greater consumer satisfaction and stimulate active and positive word-of-mouth communications among consumers.

METHODOLOGY

CONCEPTUALIZATION MODEL MARKETING MIX



Source: Develop for this study in particular

According to the conceptualization frame consumer perception (Decision making process) is depended variable independent variable are product, Price, Place and Promotion (part of the Marketing Mix) thus Purchase decision dependence on the factors of Consumer perception that leads to the consumer decision making process.

DEFINITIONS OF KEY CONCEPTS

PRODUCT

Product refers product quality and durability, Product design, brand name, logo, Packaging the product range, guarantees etc marketing a product involves product design concept testing and product launch. The physical appearance of the product as well as packaging and labeling can influence consumer's decisions product is the important consideration of marketing mix on 4PS. The two important considerations relates on the product. The relevant between generic strategy and product in the generic strategy says company should focus on main strategy it should both Differentiation and cost leadership.

PROMOTION

Promotion can influence the consumers at any stage of the consumer buying process. Promotion is the term given to the collection of methods by which an organization attempts to communicate either directly or indirectly with its market. Promotion refers personal selling, advertising, sales promotion and publicity etc. Promotion is the element in an organization's marketing mix that serves to inform persuade and remind the market of the organization. The main consumer Promotion tools includes samples, coupons, cash refunds, Price Packs Premium, Advertising specialties, contests sweepstakes and games.

PLACE

Place means effective distribution getting right Products into the right Place at the right time. The movement of goods from Production to consumption point is key place therefore refers to distribution channels, distribution coverage, the types of transportation vehicle, location of sales, ware house locations etc. The links in a distribution channel involve the manufacture selling to retailers who then act as intermediary to the final customer under this model the customer would have no direct marketing direct dealing to the customers get direct feed back by this way. The type of selling involves the initiative being taken by the vendor and is unsolicited.

PRICE

Price is the tool of marketing mix to achieve its marketing objective. This price is leading the market, customers feelings about the product is reflected in what they are prepared to pay so getting price right is crucial. Decisions made for other marketing mix variables may affect pricing decisions ultimately the consumer will decide whether a product's price is right competitor's price and their possible reactions to the company's pricing strategies when setting prices the company must also consider other factors in it's external environment price includes discounts credit term policy Low price term payments etc. The Pricing of product may be set in order to crush competitors rather than achieve returns revenue.

CONSUMER PURCHASING DECISIONS

Consumers are influenced by various Factors in making purchasing decisions with regard to a particular product. Hence marketers must study their target consumers wants perceptions & preferences. By studying these factors marketers can propose proper marketing strategies with regard to product, price, Place, Promotion. Decision of a consumer must make is whether to buy an item or not. This may sound, so basic as to be unnecessary to mention. The consumer may choose a particular brand first and then a place to buy it may choose the place and then the brand may choose both simultaneously consumer buying behaviour is changing as consumer tastes.

RESEARCH SAMPLE

A sampling is the collection of samples from the population in the area where the research has studies. From the researcher's point of view, population includes individuals and families. The necessary requirement in the sample choice is selected samples must be reflection the whole population's intentions. If it is not reflected, that may leads to biased or unreal results to the study.

To know how consumers' perception and preference determines the purchase of plastics furniture, sample is collected from population of Vavuniya district. To make the selection effective, sample is collected through stratified random sampling method.

TABLE: 3, DETAIL OF SAMPLE SELECTION

Name of Divisional Secretary Division	No of Population	Percentage (%)	Consumer
Vavuniya	167525	63	189
Vavuniya South	22485	9	27
Vengalcheddikulam	41092	15	45
Vavuniya North	35437	13	39
Total	266539	100	300

Source: Department of Census & Statistics from Vavuniya Kachcheri (2011)

One hundred customers take as sample for this study, based on divisional secretariats in the Vavuniya population from four divisions on the basis of random sampling method.

METHOD OF DATA COLLECTION

A questionnaire consists of set of questions presented to a respondent for their answers. Under this study questionnaires were issued to householders in a random basis. The respondents were told that real purpose of the study and their information was collected from their own words. The researcher explores the research findings of consumer perception and preference on plastic furniture in the Vavuniya District. The data collected from the 300 respondents have been analyzed in connection with personal information for research information.

METHOD OF DATA ANALYSIS

After the collected data have been processed, it is necessary that these data are analyzed by,

- **UNIVARIATE:** The univariate analyses measures such as mean, median and standard deviation, co-efficient of variance.
- **BIVARIATE:** This analysis consists of the level of multi collinearity between variables such as correlation and regression
- Multivariate

Data analysis is more sensitive part of the research work. In the research process to analyze the collected data researcher use the Statistical Package for Social Science (SPSS- version 13.0 for window). Descriptive statistics and factor analysis are used to get the results. In this research study factor analysis and descriptive statistics are used to evaluate the marketing mix. Other questions and statement in the questionnaire analyze through descriptive statistics.

DATA ANALYSIS

Each factors is given a scale from 1-5 to show it is very importance and based on responses multivariate measures are calculated for each of the marketing mix. Based on the mean value (X_i) compare with the median value 3 the following decision rule can be applied.

If the mean value is,

$$0 \leq \text{mean} \leq 2.5 \quad X_i \rightarrow < 3$$

$$2.5 < \text{mean} < 3.5 \quad X_i \rightarrow = 3$$

$$3.5 < \text{mean} < 5 \quad X_i \rightarrow > 3$$

The mean value (\bar{x}) of the aspects and variable falls in the above range then the decision will be as follow.

If,

- 1) $X < 3$ the factor is lower influence the consumer perception and preference towards plastic furniture.
- 2) $X = 3$ the factor is moderately influence the consumer perception and preference towards plastic furniture.
- 3) $X > 3$ the factor is high influence the consumer perception and preference towards plastic furniture.

DATA PRESENTATION AND FINDINGS

According to the data collected from the 300 respondents, the overall mean for marketingmix is 4.0040 and the overall standard deviation for the marketing mix is .43043

TABLE: 13, MEAN & SD FOR OVERALL MARKETING MIX

	Product	Price	Promotion	Place	Mar.mix
Mean	3.8650	4.3033	3.8325	4.0150	4.0040
Stan.Dev	.52314	.54658	.68077	.64922	.43043

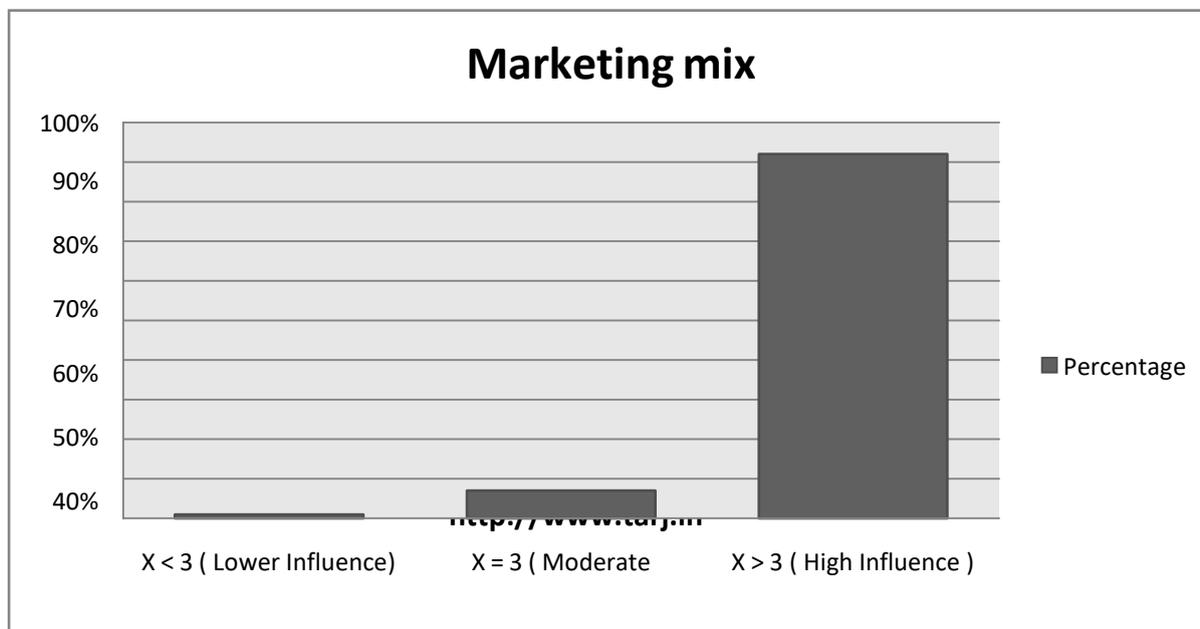
Source: Survey Data

TABLE: 14, MARKETING MIX

Decision	Frequency	Percentage
$X < 3$ (Lower Influence)	1	1.0 %
$X=3$ (Moderate Influence)	7	7.0 %
$X > 3$ (High Influence)	92	92.0 %
Total	100	100.0

Source: Survey Data

FIGURE: 4, MARKETING MIX



Source: Survey Data

The marketing mix is the set of marketing tools that the organization uses to pursue its marketing objectives in the target market. This influences consumer behavior towards these brands of purchase. The marketing mix encompasses four variables; such as Product, Price, Promotion and Place.

Let us look into the marketing mix of plastic furniture. The mix that the consumers in the Vavuniya district are more concerned about the product features, because 78% of the consumers feel that product is highly influencing factor. The mean value of product is 3.8650 with the standard deviation of 0.52314. The mean value obviously indicates that product is high influencing the consumer purchasing. Kotler (2000) suggests that product variable decision, features and related activities are important because they are involved directly with creating products that influence consumer behaviour. So as his point of view the consumer's buying behaviour guided by the quality, brand name, different size, special features, the product is very much important.

Price is also considered important to some extent. The consumers in this district are most considered about price because 92% of the consumers feel that price is high influencing factor in purchasing. The mean value of price is 4.3033 with the standard deviation of 0.54658. Kotler (2000) states; the amount of money charged for a product or service, or the sum of the values consumer exchange for the benefits of having or using the product or service. So in his point of view price is high influence of buying plastic furniture.

At the same time promotion becomes the last marketing mix for the consumers in this district. In regard to the promotion, Kotler (2000) states; Promotion is any form of communication used to inform, persuade people about an organization product. Promotion is considered an important mix in that it ensures the quality discount of plastic furniture. Consumers prefer promotion in order to obtain the sales promotion benefits. 64% of the consumers feel that promotion is high influencing factor in plastic furniture. The mean value for promotion is 3.8325 with standard deviation of 0.68077. Pride & Ferrell (2000) suggests, Promotion can be aimed at increasing public awareness of an organization and of new or existing products. This variable affects consumer behaviour. The standard deviation is less than one and that shows a less deviation from the standard. Advertisement is the major contributing factor in promotion. So according to his view, the promotion is high influence the consumer preference.

Final marketing mix element is place, which makes it easier in purchasing plastic furniture. The consumers in this district are most considered about place because 81% of the consumers feel that place is high influencing factor. The mean value of place is 4.0150 with the standard deviation of 0.64922. The standard deviation is less than one and that shows a less deviation from the standard. Ferrell (2000) suggests that the place variables are to reach and keep customers, and product must be available at the right time. This variable affects consumer behaviour. The major contribution to the place is warrantee, seller's recommendation, and availability. So point of his view, place is high influencing the consumer perception and preference.

So far we have seen, each variable, which is related to the marketing mix. The clear discussion regarding the dimension of marketing mix as follows, the high level of consideration of marketing mix by consumers is an essential in consumer perception and preference.

If we take into account how far consumers deciding the marketing mix which is influencing

consumer purchasing behaviour in vavuniya district. Among the sample, 92% of consumers said marketing mix is high influencing factor. 1% was low influenced and 7% was moderate influenced. It has a mean value of 4.0040 with the standard deviation of 0.43043. The major contributing mix is place and price.

Marketing mix is a very much deciding factor. Kotler (2000) defined, “a consumer buying behaviour is influenced by product, price, place and promotional factors”. From this facts consumer can clearly understand in what extent it is important in the buying decision. Therefore marketing mix is high influencing the consumer perception and preference.

MARKETING MIX

Research findings of four marketing variables are as follows.

PRODUCT: As a product variable name, special features, quality, and size has favorable attitudes on the plastic furniture purchase. As same, durability, have more colour and design and familiar brand name make positive attitudes of plastic furniture. 78% of consumers are found to be highly influenced in product, 20% indicates moderately deciding and the rest 2% of consumers are less interest in product.

PLACE: As a place variable availability, easy identification, available near to house, warrantee and vender recommendation are play major role on the purchase of plastic furniture. 81% highly influencing to consumer purchase, 13% represented the moderate influences and 6% consumer were lower influence.

PRICE: When make plastic furniture purchase as price variables, consumers give more priority to reasonable price of the product and quantity satisfactory for price paid. 92% of consumers are high influenced of their element on their perception, 7% of respondents express moderate influence of their element of price and the rest 1% of consumer are less interested in price.

PROMOTION: Publicly recognized, Advertisements and reputation has more influence on purchase of plastic furniture as a promotion variable. 32% of respondents feel moderate influenced by promotional activities and 4% of respondents influenced by lower influenced in respect to promotions buy 64% highly influenced by promotion

HYPOTHESIS TESTING

H₀: There is no relationship between Marketing mix and Consumer perception.

Here this null hypothesis is rejected, because there is a positive relationship found between the marketing mix and consumer perception. That is, when the marketing mix is increased, consumer perception will also increase. Therefore, this null hypothesis is rejected.

H₁: There is positive relationship between Marketing mix and Consumer perception.

According to the mean analysis there is high positive relationship between marketing mix and consumer perception (Mean =4.0040). So, the marketing mix influences on the consumer perception.

Correlations

		ammix	Aprc eption
Ammix	Pearson Correlation	1	.204*
	Sig. (2-tailed)		.042
	N	100	100
Aprc eption	Pearson Correlation	.204*	1
	Sig. (2-tailed)	.042	
	N	100	100

* Correlation is significant at the 0.05 level (2-tailed).

According to the correlation analysis, above the table correlation value has been computed to find out the relationship between marketing mix and consumer perception. The correlation value is .204 which is correlated at 0.042 significant levels.

There is positive relationship between marketing mix and consumer perception. So the marketing mix influences on the consumer perception. Therefore, this hypothesis is accepted.

CONCLUSION

Consumer perception is important factor because several factors are influence in the consumer perception, our research study makes the product, Price, Promotion and place are impact on consumer perception customers are satisfy with the company's product that company achieve the company's goals and object in the competition world, while the customers are not like the product the company faces low production level and low turnover. Further customers are major persons and weapons for the company's activities so that this customers a well motivated by the product, Price, Place and promotion are influence on the consumer perception.

FUTURE RESEARCH

Researcher considers only limited in Vavuniya district further researcher may concern other areas and districts. Researcher selected the sample only hundred consumers, but future researcher can consider other techniques such as network. Researcher takes limited factors for customer perception, but future researcher take other factors. Plastic furniture faces the competition in Vavuniya district. So Future researcher can research the competitors' products(plastic furniture) to analysis the marketing mix and consumer perception.

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A STUDY ON RURAL CONSUMER BEHAVIOUR TOWARDS CONSUMER DURABLE GOODS IN INDIA

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INTRODUCTION

As rapid socio-economic changes sweep across India, the country is witnessing the creation of many new markets and a further expansion of the existing ones. With over 300 million people moving up from the category of rural poor to rural lower middle class between 2005 and 2025, rural consumption levels are expected to rise to current urban levels by 2017. Consumer durables involve any type of products purchased by consumers that are manufactured for long-term use. As opposed to many goods that are intended for consumption in the short term, consumer durables are intended to endure regular usage for several years or longer before replacement of the consumer product is required. Just about every household will contain at least a few items that may be properly considered to be of a consumer durable nature. A combination of changing lifestyles, higher disposable income, greater product awareness and affordable pricing have been instrumental in changing the pattern and amount of consumer expenditure leading to robust growth of consumer durables industry.

OBJECTIVES OF THE STUDY

With the basic objective of enquiring the potentiality of rural markets in Guntur District in Andhra Pradesh. This study aims to enquire:

- 1) The pre-purchase rural consumer behaviour towards consumer goods
- 2) The usage rate of consumer durable products in rural areas in Guntur district
- 3) To identify the role of various socio-economic, cultural and psychological factors that influences the purchasing pattern of rural consumers;
- 4) Finally, to suggest some measures for effective implementation of marketing strategies by various consumer durable goods companies with reference to rural and urban areas in Guntur district.

SOURCES OF THE DATA: The significant and distinctive stage of research in social science is collection of necessary information to provide hypothesis. The sources of information are generally classified as primary and secondary data.

PRIMARY DATA

Primary data is the information collected or generated by the researchers for the purpose of the project immediately at hand. Questionnaires are used to collect this primary data. Questionnaires are the most frequently used methods of data collection. These methods are considered to have particularly relevance to collect data on personal preference social attitudes, opinions, beliefs and feelings etc. In Andhra Pradesh. Guntur is one of the Major districts, in which majority of people are living in rural areas. This study has selected six Villages from Guntur, Narasaraopet and Tenali revenue divisions in Guntur district. In each revenue division researcher has selected two

villages depending on socio-economic standards of villages. One is developed and another is under developed village. In Narasaraopet revenue division this study selected Ravipadu and Uppalapadu. In Tenali revenue division this study selected Pedaravuru and Samgam Jagarlamudi. In Guntur revenue division this study selected Nambur and Koppuravuru villages as per their socio-economic conditions. Totally 600 samples collected from six villages in Guntur district, Andhra Pradesh.

SECONDARY DATA

Secondary data refers to the information that has been collected by some one, other than those involved in the research project at hand for the purpose. Secondary data can be gathered from various sources.

To identify the pre-purchase rural consumer behaviour towards consumer goods.

TABLE - 1 DISTRIBUTION OF TIME LAG BETWEEN NEED FEELING AND BUYING DECISION

Time lag	Revenue Division				Avg. % of respondents
	GUNTUR	TENALI	NARASARAOPET	Total	
No lag	27 (13.5)	22 (11.0)	17 (8.5)	66	11.0
1 – 2 months	34 (17.0)	30 (15.0)	22 (11.0)	86	14.3
2 – 6 months	80 (40.0)	72 (36.0)	77 (38.5)	229	38.2
6 & above months	59 (29.5)	76 (38.0)	84 (42.0)	219	36.5
Total	200 (100)	200 (100)	200 (100)	600	100

Source: Questionnaire

Usually a consumer does not purchase the durables immediately after feeling the need for the same; he takes time and ponders over the issue. We can get an idea about how much a rural consumer usually takes for pondering over the issue with the help of above table 1.

Thus, it is evident that more than one-third respondents took two to six months and another more than one-third respondents took six or more months for pondering over selecting their desired brands. Only 11% respondents and 14.3% of respondents purchased their selected brands just below two months take time to purchase, they might be rich people. But it appears that almost

nearly 75% of the respondents took more than two months to be engaged in actual purchase.

In fact, rural people are very cautious before purchasing the durable. They pondered over the issue several times before purchasing the article. It might be due to the fact that they have little scope of earning additional money out side their usual sources. In other words, for them marginal utility of money is very high, so they are very cautious.

TABLE 2 STATEMENT OF IMPORTANCE ASSIGNED TO DIFFERENT SOURCES OF INFORMATION

Sources of Information	Revenue Division				Avg. % of respondents
	GUNTUR	TENALI	NARASARAOPET	Total	
Market dominated sources	45 (22.5)	34 (17.0)	41 (20.5)	120	20.0
Neutral sources	12 (6.0)	08 (4.0)	04 (2.0)	24	4.0
Personal Sources	143 (71.5)	158 (79.0)	155 (77.5)	456	76.0
Total	200 (100)	200 (100)	200 (100)	600	100

Source: Questionnaire

Responses of the selected rural consumers as to the importance they attach to the sources are tabulated above table. Statement of importance assigned to deference of rate. Thus it appears that 76% of the respondents assign the biggest importance to the personal sources of information. Neutral sources have a little impact on the respondents. It is evident that rural people depend mostly on primary contacts and not on secondary contacts. This finding collaborates with that idea. They are not aware of neutral sources of information like data provided by government agencies or research institutes. Even though 20% respondents depend on market-dominated sources like advertisements, sales men's suggestions, majority of the respondents depend on personal sources of information. Hence even though financial positions of the rural consumers have been developed, their basic features of reality are not yet minimized.

TABLE – 3 DISTRIBUTION OF PRE-PURCHASE AND PURCHASE VISITS TOSHOPS FOR INFORMATION SEARCH

Nature of Visits	Revenue Division			Total	Avg. % of respondents
	GUNTUR	TENALI	NARASARAOPET		
Pre-purchase unit	72 (36.0)	76 (38.0)	64 (32.0)	212	35.4
Visit at purchase time only	128 (64.01)	124 (62.0)	136 (68.0)	388	64.6
Total	200 (100)	200 (100)	200 (100)	600	100

Source: Questionnaire

It is often stated that rural people are cautious and they visit shops several times for information search before they actually purchase goods. But from the field study it is reached that the situation is a bit different for rural people. Responses on the issue are tabulated above table 3.

Thus it appears that only less than two-fifth of the respondents visited shops more than once for information search. Other three-fifth respondents have reported that since they purchase branded goods, they rely on the honesty of the store- owners that they do not like to enquire much about the product on the floor of the shops.

But information should be examined from different angles. Pre-purchase visits to shops are required for information search. More a person is skeptic, more he enquires. Hence, respondents may think that more pre-purchase visits may indicate his suspicious nature, his abundant leisure time. That is why they may reply in such a manner. But if their responses are taken on face value, it may be inferred that the products they purchase are standard ones, and the shops they visit are dependable since they take much time in information search, it is of no use investing shops before purchasing. What ever may be the interpretations, it is a fact that rural consumers have become prudent

TABLE -4 PARTICULARS SHOWING THE SAMPLE RESPONDENT ABOUT IMPORTANT FACTOR IN BUYING

Sl. No.	Nature of Units	Revenue Division			Total	Avg. % of respondents
		GUNTUR	TENALI	NARASARAOPET		
1	Price	68 (34.0)	65 (32.5)	71 (35.5)	204	34.0
2	Quality	57 (28.5)	66 (33.0)	69 (34.5)	192	32.0
3	Brand Image	40 (20.0)	37 (18.5)	29 (14.5)	106	17.6
4	Service Availability	15 (7.5)	12 (6.0)	12 (6.0)	39	6.5
5	Promotion Programs	20 (10.0)	11 (5.5)	19 (9.5)	50	8.4
6	Other Reasons	-	9 (4.5)	-	9	1.5
	Total	200	200	200	600	100

Source: Questionnaire

Table shows the sample respondents about important factor in buying process. They are price, quality, brand image, service availability, promotion program and other reasons.

This evident shows that 34% of respondents prefer price, 32% of respondents prefers quality, 17.6% of respondents prefer providing, 6.5% respondents prefer service availability, 8.4% of respondents prefer promotion program and 1.5% respondents prefers other reasons. Finally price and quality play a vital role in buying process in rural areas.

TABLE – 5 PARTICULARS SHOWING THE SAMPLE RESPONDENTS ABOUT THEIR CONSUMER DURABLE PRODUCTS IN SELECTED AREAS

S. No	Product	Revenue Division						Total		Avg. % of respondents for Having	Avg. % of respondents for not Having
		GUNTUR		TENALI		NARASARA OPET					
		Having	Not Having	Having	Not Having	Having	Not Having	Having	Not Having		
1	Gas Stove	172 (86.0)	28 (14.0)	169 (84.5)	31 (15.5)	164 (82.0)	36 (18.0)	505	95	84.2	15.8
2	Mixy	95 (47.5)	105 (52.5)	102 (51.0)	98 (49.0)	83 (41.5)	117 (58.5)	280	320	46.7	53.3
3	Grinder	49 (24.5)	151 (75.5)	53 (26.5)	147 (73.5)	39 (19.5)	161 (80.5)	141	459	23.5	76.5
4	Microoven	13 (6.5)	187 (93.5)	9 (4.5)	191 (95.5)	4 (2.0)	196 (98.0)	26	574	4.4	95.6
5	Cooker	97 (48.5)	103 (51.5)	107 (53.5)	93 (46.5)	92 (46.0)	108 (54.0)	296	304	49.3	50.7
6	Washing Machine	37 (18.5)	163 (81.5)	31 (15.5)	169 (84.5)	29 (14.5)	171 (85.5)	97	503	16.2	83.8
7	Air Conditioner	-- (0.0)	200 (100.0)	-- (0.0)	200 (100.0)	--	200 (100.0)	--	600	--	100.0

8	Air Cooler	3 (1.5)	197 (98.5)	4 (2.0)	196 (98.0)	--	200 (100.0)	7	593	1.2	98.8
9	Fans	187 (93.5)	13 (6.5)	83.5 (167)	33 (16.5)	180	20 (10.0)	534	66	89.0	11.0
10	T.V.	186 (93.0)	14 (7.0)	193 (96.5)	73.5	179	21 (10.5)	558	42	93.0	7.0
11	DVD/ CD Player	27 (13.5)	173 (86.5)	32 (16.0)	168 (84.0)	21	179 (89.5)	80	520	13.3	86.7
12	Camera	22 (11.0)	178 (89.0)	19 (9.5)	181 (90.5)	27	173 (86.5)	80	520	13.3	86.7
13	Tape Recorder	96 (48.0)	104 (52.0)	91 (45.5)	109 (54.5)	101	99 (49.5)	288	312	48.0	52.0
14	Iron Box	81 (40.5)	119 (59.5)	73 (36.5)	127 (63.5)	69	131 (65.5)	223	377	37.2	62.8
15	Wall Clock	179 (89.51)	21 (10.5)	164 (82.0)	36 (18.0)	162	38 (19.0)	505	95	84.2	15.8
16	Cell Phone/ Mobile	34 (17.0)	166 (83.0)	41 (20.5)	159 (79.5)	21 (10.5)	179 (89.5)	96	504	16.0	84.0
17	Wrist Watches	176 (88.0)	24 (12.0)	165 (82.5)	35 (17.5)	126 (63.0)	74 (37.0)	467	133	77.8	21.2

18	Shoes	113 (56.5)	87 (43.5)	126 (63.0)	74 (37.0)	85 (42.5)	115 (57.5)	324	276	54.0	46.0
19	Computers	12 (6.0)	188 (94.0)	16 (8.0)	184 (92.0)	09 (4.5)	191 (95.5)	37	563	6.2	93.8
Total		200		200		200		600		100	

Source: Field Study.

Thus, this table shows the sample respondents about the kitchen hold products and house hold and personnel use products. Among them 84.2% have gas stoves, 46.7% have mixers, 23.5% have grinders, 4.4% have micro-ovens and 49.3% have cookers. Thus it is evident that most of the respondents have gas stove, mixy, cooker in rural areas. It depends on their economic status. 16.2% of respondents have washing machine, 0.0% of respondents have air conditioner, 1.2% of respondents have air cooler, 89.0% respondents have fans, 93.0% of respondents have TV, 13.3% of respondents have CD players, 48.0% of respondents havetape recorders, 37.2% of respondents have iron boxes and 84.2% of respondents have wall clocks. This is evident that fan, T.V & tape Recorder have only potential in rural areas. This table shows the sample respondents about their personal use products in selected areas. Among them 16.0% of respondents have mobiles, 77.8% of respondents have wristwatches, 54.0% of respondents have shoes and 6.2% of respondents have computers. So this is the evident that in rural area wristwatches and shoes only have potential in this category.

CONCLUSION

Indian rural consumer durable market is very vast size and having lot of opportunities. To capture the rural markets, the industries which are producing/ marketing the consumer durables for that they has the follow the different types of creative strategies to tapping the rural markets. And to know consumer behaviour is also important for tapping rural markets.

- 1) Modify the product to market it more suitable for the needs/usage conditions of rural consumer.
- 2) Develop entirely new products for rural markets.
- 3) To capture durable market share, the organizations has to consider the pull strategy andpush strategies in rural market.
- 4) To promote the consumer durable products in markets better to use mixed strategies of promotional techniques in rural market.
- 5) To select best pricing method for durables, by considering demand of the product, competition,

infrastructure facilities, economic conditions of particular rural areas.

- 6) By conducting the campaigns, exhibitions and trade fairs to create the awareness about products and brands.
- 7) Arrange customer care units in all areas for clarifying and giving the information about their products.
- 8) By considering the density of people, the organizations have to establish or open newsales outlets.
- 9) To encourage social activities for development of rural areas for brand loyalty.
- 10) Consumer –seller relationship in rural areas is an interesting area of study. Such a study will help in identifying the factors responsible for enhancing sales and consumption in rural areas.

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IMPACT OF FOREIGN CAPITAL INFLOWS ON INDIAN STOCKMARKET

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ABSTRACT

India has emerged as one of the most favoured destinations for global investments. This is reflected in the number of foreign institutional investors (FIIs) and foreign portfolio investors (FPIs) registered with SEBI and number of foreign direct investors (FDI) in India. The dawn of 21st century has shown the real dynamism of stock market and the various benchmarking of sensitivity index (Sensex) and Nifty in terms of its highest peaks and sudden falls. There has been growing presence of FDI, FIIs, and FPIs in Indian stock market evidenced by increase in their net cumulative investments and they have significant impact on the Indian Stock Market.

Foreign investors seem to have embraced Indian stocks yet again with net inflows crossing Rs. 1.2 lakh crore (\$23 billion) in 2012 and taking their total cumulative investment in the country's equity market to an all-time high of \$125 billion. The net inflow of Rs. 1.23 lakh crore during 2012 is the second-highest for a year and comes after a net outflow in the previous year 2011—preparing the ground for even better times ahead in 2013 on the back of continuing reform-push by the government and market regulator SEBI. At gross level, Foreign Institutional Investors (FIIs) purchased stocks worth about Rs. 6.5 lakh crore in 2012 and sold equities to the tune of Rs. 5.3 lakh crore translating into a net inflow of Rs. 1,21,652 crore (\$23 billion). This was the second highest net inflow by FIIs in a single calendar year since their entry into Indian capital markets in 1992. In 2010, overseas investors had made a record Rs. 1.33 lakh crore (\$29 billion) net investment into the share market. However, FIIs had pulled out a net Rs. 2,714 crore (\$358 million) from the share market in 2011. Despite their unpredictable 'hot money' investment, these overseas entities have been amongst the most important drivers of Indian stock markets.

The present research paper is an attempt to find out the impacts of FDI (Foreign Direct investment), FIIs (Foreign Institutional Investment), and FPIs (Foreign Portfolio investment) inflows on the movement of BSE (Bombay Stock Exchange) and NSE (National stock exchange) during period under study. The study is purely based on secondary data which were analyzed through Regression (OLS Model), Karl Pearson's correlation, Analysis of Variance, etc., and found that FDI affects the most both Sensex and Nifty up to 61 per cent and 86 per cent respectively and is associated highly and positively with both the markets with a score of 0.78 and 0.92 respectively according to the Karl Pearson's coefficient of correlation. However, the FPIs showed a very low impact on Sensex and a comparative high impact on NSE. During the study period the least significant factor with lowest impact on senex and nifty was FIIs.

KEYWORDS: FDI, FIIs, FPIs, BSE Sensex, NSE Nifty, Indian Stock Market.

INTRODUCTION

The global economy is passing through a phase of uncertainties after the outbreak of economic slowdown from US in last quarter of 2007. The economy and economic development of a nation largely depends on the efficient and effective financial system of that nation which acts as its nerve system. With the inception of globalization, financial markets have become more important now a days. A developed stock market has become very crucial to national economic growth by providing additional channel along with banks and other financial institutions, for encouraging and thus mobilizing domestic savings. It also ensures improvements in the productivity of investment through market allocation of capital and increases managerial discipline through the market for corporate control. A study by World Institute for Development Economic Research (WIDER, 1990) argued that the developing countries should liberalize their financial markets in order to attract foreign portfolio equity flow. The Indian government opened the gates for foreign individual investors to invest directly into Indian stock markets accordingly. There is no doubt that India as a preferred investment destination is gaining more and more acceptance with each passing day. India is now seeing inflows from all corners of the globe, be it global macro funds, hedge funds or exchange-traded funds. The European Union's Institute for Security Studies (EUISS) ranking India as the third most powerful country in the world after the US and China and the fourth most powerful bloc after the US, China and the European Union.

Existing studies reveals that the huge surge in international capital flows since early 1990s has created unprecedented opportunities for the developing countries like India to achieve accelerated economic growth. International financial institutions routinely advise developing countries to adopt policy regimes that encourage capital inflows (Singh, Sumanjeet, 2013). The dawn of 21st century has shown the real dynamism of stock market and the various benchmarking of sensitivity index (Sensex) and Nifty in terms of its highest peaks and sudden falls. There has been growing presence of FDI, FIIs, and FPIs in Indian stock market evidenced by increase in their net cumulative investments. The FIIs activity and effects on Indian Capital Market are significantly and positively correlated. The FDI and FIIs are strong forces driving the Indian Stock Market which is evident from top twenty five crashes at BSE SENSEX as FIIs were the net sellers in all the leading market crashes. Flow of FDIs and FIIs in India determines the trend of Indian stock market. Indian stock market and FIIs influence each other; however, their timing of influence is different (Loomba, Jatinder, 2012, Rukhsana, et.al., 2009, and Gupta, Ambuj, 2011), FII flows were caused by rather than causing the national stock market returns (Chakraborty, Tanupa, 2007). FIIs were influencing the Sensex movement up to a greater extent. Sensex increased when there were positive inflows of FIIs and decreased due to their negative inflows (Jain et.al. 2012). The average returns of Indian stock market and volatility declined significantly after the entry of FIIs except in the financial year 2005 and 2006 (Bansal, Anand and Pasricha, J.S., 2009, Bohra, Narendra Singh and Dutt, Akash, 2011), FIIs play a very important role in building up India's forex reserves, by making investments despite sluggish domestic sentiment and contributes towards economic growth (Stanley Morgan, 2002). The Rapid growth in the flow of the foreign portfolio investments is leading to greater integration of the Indian equity market with the main developed markets and this may have significant implications for asset pricing and international portfolio diversification benefits (Poshakwale, Sunil and Thapa, Chandra, 2007).

OBJECTIVES

The objectives of the study are;

- 1) To study the trends of FDI, FIIs, and FPIs inflows during the period under study,
- 2) To assess the impact of FDI, FIIs, and FPIs inflows on the movements Indian stockMarket.

HYPOTHESES

H₀₁: The impact of FDI inflows on the movements of Sensex and Nifty are statistically insignificant.

H₀₂: The impact of FIIs inflows on the movements of Sensex and Nifty are statistically insignificant.

H₀₃: The impact of FPIs inflows on the movements of Sensex and Nifty are statistically insignificant.

RESEARCH METHODOLOGY

The following research methodology is followed in the present study to achieve the objectives of the study:

DATA COLLECTION

The study is purely based on secondary data relating to FDI, FIIs, and FPIs inflows during 12 years commencing from 2000-01 to 2011-12 and also the data related to Sensex and Nifty during the corresponding period. The data related to FDI, FIIs, and FPIs inflows have been collected from various sources like Bulletins of Reserve Bank of India, Fact sheets of DIPP, Govt. of India. The BSE Sensex and CNX Nifty data have been taken from the websites of bseindia and nseindia respectively.

ANALYTICAL TOOLS & TECHNIQUE

The collected data have been analyzed with the help of the statistical tools such as correlation and linear regression (OLS model). The correlation is applied to study the linear relationship between variables such as FDI & FIIs, and FPIs and Sensex & Nifty while, the linear multiple regression analysis is used to evaluate the effects of two or more independent variables on a single dependent variable.

The two model equations are expressed below:

$$\text{BSE Sensex} = a + b_1 (\text{FDI}) + b_2 (\text{FII}) + b_3 (\text{FPI}) \quad (\text{i})$$

$$\text{CNX Nifty} = a + b_1 (\text{FDI}) + b_2 (\text{FII}) + b_3 (\text{FPI}) \quad (\text{ii})$$

RESULTS AND INTERPRETATION

It is also clear from the analytical Table 1 and that the inflows of FDI in India have been greater

than mean score (\$ 21103.25 US million) from the year 2006-07 to 2011-12, while they have been significantly low during the preceding years i.e. 2000-01 to 2005-06. The flow of FIIs have been very low during 1st three years under study and jumped sharply in the year 2003-04 to \$ 10918US million which was more than the mean inflows of FIIs (\$ 97565 US million) for all the years under study taken together. The inflows again declined below average during next two years and went down substantially 2006-07. During the year 2007- 08 a sudden big high rise was observed in the inflows of FIIs (more than double the mean score) but unexpectedly it contracted to \$ -15017 US million during 2008-09 due to the recession which broke out in US economy; but after that the inflows have been high and positive especially during 2009-10 to 2010-11. The trends of FPIs during the period under study are similar.

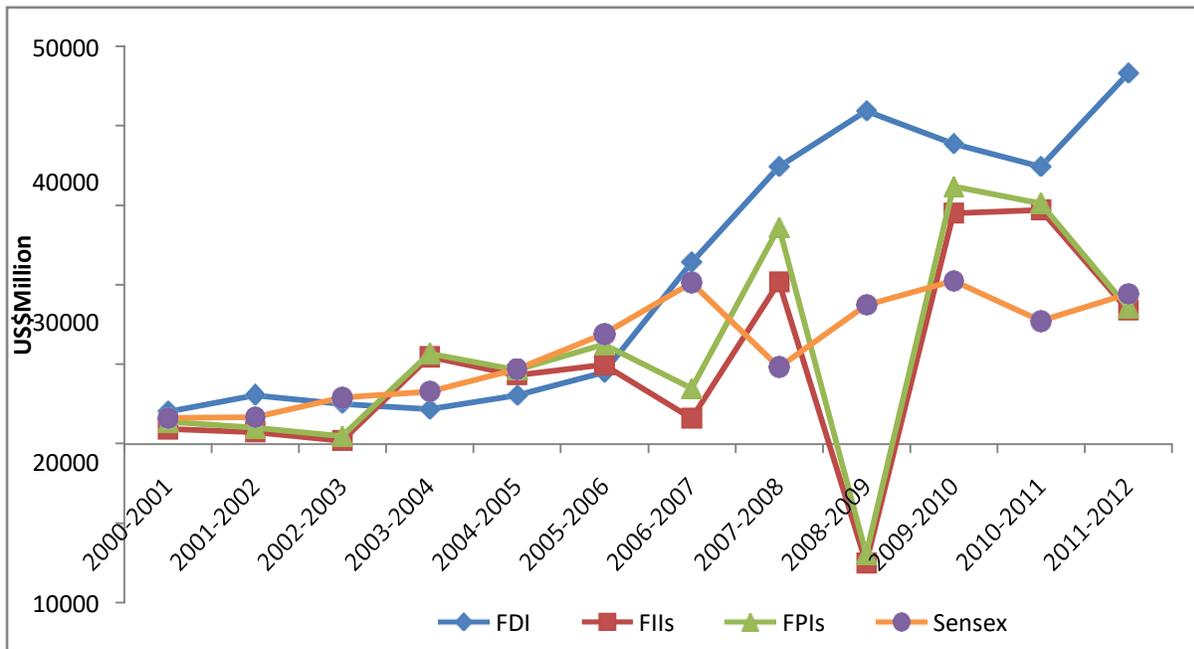
TABLE 1: INFLOWS OF FDI, FIIS, FPIS AND MOVEMENTS OF INDIAN SHARE MARKET (AMOUNT IN US \$ MILLION)

FinancialYear	FDI	FIIs	FPis	Sensex	CNX Nifty
2000-2001	4029	1847	2760	3262.33	1334.76
2001-2002	6130 (52.14)	1505 (-18.51)	2021 (-26.77)	3377.28 (3.52)	1077.02 (-19.30)
2002-2003	5035 (-17.86)	377 (-74.95)	979 (-51.55)	5838.96 (72.88)	1037.22 (-3.69)
2003-2004	4322 (-14.16)	10918 (2796.02)	11377 (1062.10)	6602.69 (13.07)	1427.50 (37.62)
2004-2005	6051 (40)	8686 (-20.44)	9315 (-18.12)	9397.93 (42.33)	1805.26 (26.46)
2005-2006	8961 (48.09)	9926 (14.27)	12492 (34.10)	13786.91 (46.70)	2513.44 (39.22)
2006-2007	22826 (154.72)	3225 (-67.50)	7003 (-43.94)	20286.99 (47.14)	3572.44 (42.13)
2007-2008	34835 (52.61)	20328 (530.32)	27271 (289.4)	9647.31 (-52.44)	4896.59 (37.06)
2008-2009	41874 (20.20)	-15017 (-173.87)	-13855 (-150.80)	17464.81 (81.03)	3731.02 (-23.80)
2009-2010	37745 (-9.86)	29048 (-293.43)	32396 (34.10)	20509.09 (17.43)	4657.76 (24.83)
2010-2011	34875 (-7.60)	29422 (1.287)	30292 (-43.94)	15454.92 (-24.64)	5583.54 (19.87)
2011-2012	46556 (33.49)	16813 (-42.85)	17171 (289.41)	18842.08 (21.91)	5296 (-5.14)
Total	253239	117078	139222	144471	36932.55
Mean	21103.25	9756.5	11601.833	12039.28	3077.713

S.D.	16967.71	12784.85	13538.98	6487.48	1746.20
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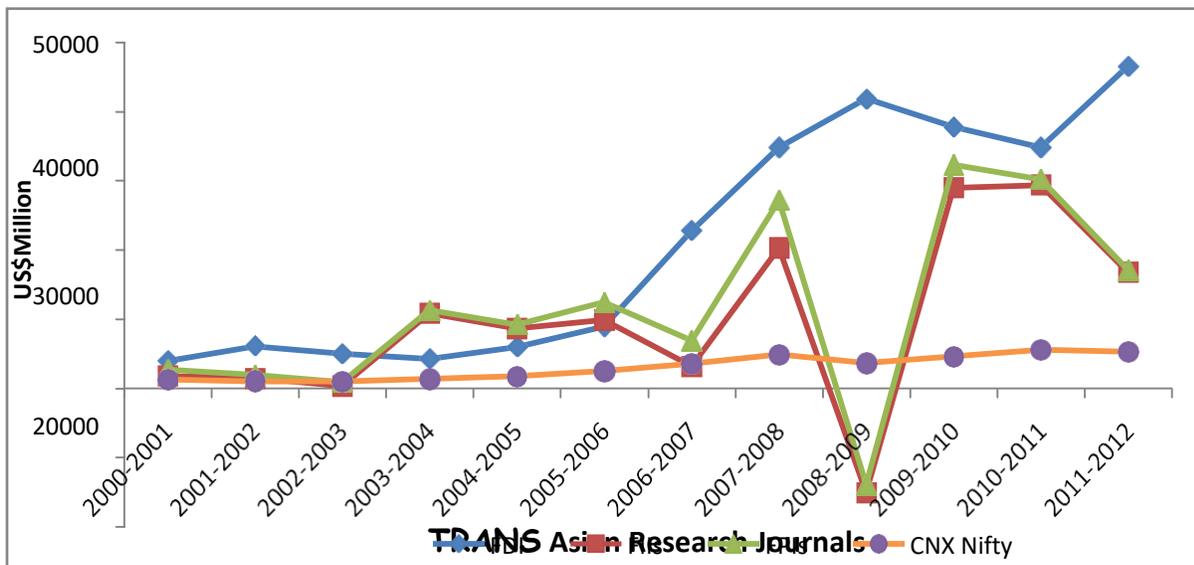
Source: Bulletins of Reserve Bank of India, Fact sheets of DIPP, Govt. of India. Note: Figures in parenthesis are percentage change

The Figure 1 and 2 depict the impact of FDI, FIIs and FPIs on the movement of BSE Sensex and CNX Nifty. From the figures, it is clear that the impact of FDI on Sensex and Nifty is much higher as compared to FIIs and FPIs. The trends of BSE Sensex and CNX Nifty move up with increased in FDI and goes down with fall in FDI. FIGURE 1: INFLOWS OF FDI, FIIS, FPIS AND MOVEMENTS OF BSE SENSEX



Source: Bulletins of Reserve Bank of India, Fact sheets of DIPP, Govt. of India

FIGURE 2: INFLOWS OF FDI, FIIS, FPIS AND MOVEMENTS OF CNX NIFTY



Source: Bulletins of Reserve Bank of India, Fact sheets of DIPP, Govt. of India.

In the present study correlation is applied to study the statistical relationship of the variables FDI, FII, FPIs, and BSE Sensex and CNX Nifty on 12 years data. The following table 2 presents the coefficients of correlation. The table showed that FDI was found to be highly and positively correlated with BSE (0.780) and NSE (0.929); FIIs were having a low positive correlation with BSE (0.286) and a moderate positive correlation with NSE (0.586); and FPIs were also having a low moderate positive correlation with BSE (0.310) and NSE (0.618) respectively.

TABLE 2: CORRELATION COEFFICIENTS

	FDI(US \$ million)	FII (US \$ million)	FPI (US \$ million)	BSE Sensex	NSE Nifty
FDI (US \$ million)	1	.333	.363	.780**	.929**
FII (US \$ million)	.333	1	.990**	.286	.586
FPI (US \$ million)	.363	.990**	1	.310	.618

** . Correlation is significant at the 0.01 level (2-tailed).

When the collected data (2000-01 to 2011-12) regarding FDI, FIIs, and FPIs were analysed with the help of Simple Regression Method (Ordinary Least Square Method) to see their impact on Sensex and Nifty, it was found that FDI was a very significant factor affecting both Sensex and Nifty the most among all the factors selected for the study with value of R square at 0.608 and 0.864 respectively. When the impact of FDI with FIIs was observed, it showed 0.1 per cent change in Sensex and 0.86 per cent change in case of nifty proving thereby that the FIIs have more impact on Nifty in comparison to the Sensex. The values of R square improve slightly in case of Sensex from 0.608 to 0.950 while it surged to 0.950 as against 0.864 in case of Nifty.

The Tables 3(A) and 3(B) depict model summary that reports the strength of the relationship between the model and the dependent variable. R, the multiple correlation coefficients, is the linear correlation between the observed and model- predicted values of the dependent variable. Its large value indicates a strong relationship. R Square, the coefficient of determination, is the squared value of the multiple correlation coefficients. In table 3 the value of R square is 0.609; it shows that the model explains 60.9 % of the variation. In other words the dependent variables FDI and FII are able to explain around 61 % the variation of the dependent variable (SENSEX). Similarly, in table 4 the value of R square is 0.955; it shows that the model explains 95.5 % of the variation. In other words the dependent variables FDI and FII are able to explain around 96 % the variation of the dependent variable Nifty

TABLE 3 (A): MODEL SUMMARY OF SENSEX

Change Statistics				

Model	R	R Square	Adjusted R Square	R Square change	F change	Sig. f Change
1	.780 ^a	.608	.569	.608	15.51	.003
2	.780 ^b	.609	.522	.001	.018	.897
3	.780 ^c	.609	.462	.000	.003	.956

a. Predictors: (Constant), FDI, FII and FPI Dependent Variable: SENSEX

TABLE 3 (B): MODEL SUMMARY OF NIFTY

Model	R	R Square	Adjusted R Square	Change Statistics		
				R Square change	F change	Sig. f Change
1	.929 ^a	.864	.850	.864	63.277	.000
2	.975 ^b	.950	.939	.086	15.463	.003
3	.977 ^c	.955	.939	.006	.996	.348

a. Predictors: (Constant), FDI, FII and FPI Dependent Variable: NIFTY

Similarly, when the impact of all the three selected factors (FDI, FIIs, and FPIs) was observed, there was no change in R square in case of Sensex conforming the fact that the FPIs are totally insignificant for this market, but a change of 0.006 per cent was noticed on nifty as far as the value of R square is concerned which rose to 0.955 from 0.950.

Tables 4 (A) and 4 (B) reveal the coefficients and Collinearity statistics when regression is applied. The two Collinearity statistics are tolerance and VIF. If the value of VIF is higher than 10, and tolerance is less than 0.2, it indicates a potential problem. For our current model the VIF values are below ten and the tolerance statistic is above 0.2 for all the independent variables. Hence there is no problem of Collinearity among the variables used in the model and regression is appropriate.

TABLE 4 (A): COEFFICIENTS OF SENSEX

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	5747.7	2016.04		2.8	.01		

	93	2		51	7		
FDI	.298	.076	.780	3.938	.003	1.000	1.000
2 (Constant)	5680.986	2181.199		2.605	.029		
FDI	.294	.085	.770	3.482	.007	.889	1.125
FII	.015	.112	.030	.133	.897	.889	1.125
3 (Constant)	5641.532	2412.549		2.338	.048		
FDI	.293	.093	.766	3.166	.013	.834	1.199
FII	-.032	.818	-.062	-.039	.970	.019	53.191
FPI	.045	.782	.094	.058	.956	.018	54.449

Dependent Variable: BSE Sensex

TABLE 4 (B): COEFFICIENTS OF NIFTY

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1059.53	320.17		3.309	.008		
FDI	.096	.012	.929	7.955	.000	1.000	1.000
2 (Constant)	869.75	210.32		4.135	.003		
FDI	.085	.008	.826	10.422	.000	.889	1.125
FII	.043	.011	.311	3.932	.003	.889	1.125

3	(Constant)	807.51	219.42		3.680	.006		
	FDI	.083	.008	.805	9.844	.000	.834	1.199
	FII	-.031	.074	-.226	-.416	.689	.019	53.191
	FPI	.071	.071	.550	.998	.348	.018	54.449

Dependent Variable: NSE Nifty

The b-value in Table 4(A) and 4(B) depicts the relationship between dependent and each independent variable. In table 4 (A) the b-value for FDI is .293, it means that if FDI increase by 1 unit, Sensex increases by .293 (if other two independent variables, FIIs and FPIs remains constant). The b-value for FIIs is -.032, it means that if FII increase by 1 unit, Sensex decreases by -.032 (if other two independent variables, FDIs and FPIs remain constant). Similarly, the b-value for FPIs is .045; it means that if FII increase by 1 unit, Sensex increases by .045 (if other two independent variables, FDIs and FIIs remain constant). Similarly, in the table 4(B), the b-value for FDI is .083; it means that if FDI increase by 1 unit, Sensex increases by .083 (if other two independent variables, FIIs and FPIs remain constant). The b-value for FIIs is -.031, it means that if FII increase by 1 unit, Sensex decreases by -.031 (if other two independent variables, FDIs and FPIs remain constant). Similarly, the b-value for FPIs is .071; it means that if FII increase by 1 unit, Sensex increases by .071 (if other two independent variables, FDIs and FIIs remain constant).

TESTING THE HYPOTHESES

The null hypothesis with respect to BSE Sensex and NSE Nifty and FDI can be stated as follows:

FDI

H₀₁: The impact of FDI inflows on the movements of Sensex and Nifty are statistically insignificant.

The p-value related to FDI and BSE Sensex and FDI and NSE Nifty shown in Table 5 (A) and 5 (B) is .013 and 0.00 respectively, which is less than 0.05. Since the p value is less than 0.05, there is enough evidence to reject the null hypothesis. Therefore, it can be concluded that Flow of FDI in India has significant impact on BSE Sensex and NSE Nifty movements.

FIIs

H₀₂: The impact of FIIs on the movements of Sensex and Nifty are statistically insignificant.

The p-value related to FIIs and BSE Sensex and FIIs and NSE Nifty shown in Table 5 (A) and 5 (B) is .970 and 0.689 respectively, which is more than 0.05 so null hypothesis H₀₂ is accepted. Hence it is concluded that Flow of FIIs in India has no significant impact on BSE Sensex and

NSE Nifty movements.

FPIs

H₀₃: The impact FPIs on the movements of Sensex and Nifty are statistically insignificant.

The p-value related to FIPs and BSE Sensex and FPIs and NSE Nifty shown in Table 4 (A) and 4 (B) is .956 and 0.348 respectively, which is more than 0.05 so hypothesis H₀₃ is accepted. Hence it is concluded that Flow of FPIs in India has no significant impact on the movement of BSE Sensex and NSE Nifty.

CONCLUSION

Capital flow in the forms of portfolio and foreign direct investment is not only an engine for liberalization but also a catalyst for the performance of Indian Stock Market. The study analyzes the impact of FDI, FIIs, and FPIs on the Indian stock market separately. From the study, it is clear that Flow of FDI in FPI has significant impact on BSE Sensex and NSE Nifty movements. During the study period the FDI affects the most both Sensex and Nifty upto 61 per cent and 86 per cent respectively and is associated highly and positively with both the markets with a score of 0.78 and 0.92 respectively according to the Karl Pearson's coefficient of correlation. The FIIs showed a very low impact on Sensex and a comparative high impact on NSE. The least significant factor observed was FPIs. In the light of the above results it is suggested that the government of India in association with its implementing bodies should try to attract more and more FDI in comparison to FIIs and FPIs for the smooth and rapid economic development.

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