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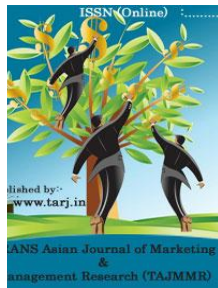
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VISION

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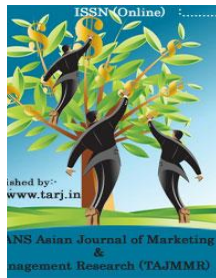
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A STUDY ON ANTECEDENTS LEADING TO IMPULSE BUYING IN AN EVOLVING CASHLESS INDIAN ECONOMY

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ABSTRACT

The evolving cashless system in India has impacted consumer's buying behavior immensely. With the inception of various digital payment modes consumers are likely to indulge in impulsive buying. Through this paper we have identified four antecedents- self-control, pain of paying, lifestyle and immediacy of payment and formulated a conceptual model outlining the various antecedents of impulse buying in an evolving cashless Indian economy. According to the proposed model, cashless transactions will invigorate immediacy of payment among consumers, enhance the lifestyle, and reduce the pain of making payment in tangible currency and result in a steady loss of self-control among consumers. All these factors create an urgency to buy a product thereby leading to impulse buying behaviour. This will have great implications for marketers and retailers.

KEYWORDS: *Cashless transactions, Impulse Buying, Self-control, Pain of paying, Lifestyle, Immediacy of payment*

1 INTRODUCTION

There have been several studies in the past which have addressed the effect of payment mechanisms on consumer's buying behaviour (Chartterjee & Rose, 2012; Faber & O'Guinn, 1988; Feinberg, 1986; Hirschman, 1979; Mendoza & Pracejus, 1997; Prelec & Loewenstein, 1998; Prelec & Simester, 2001; Soman, 2001; Soman & Cheema, 2002; Srivastava & Raghuram, 2008). The use of credit card leads to an increase in the probability of consumer spending (Prelec & Simester, 2001; Soman, 2001; Soman & Cheema, 2002) and the amount of spending as well (Prelec & Simester, 2001; Soman, 2001). Cashless transactions will increase consumerism as Indians can purchase goods from anywhere across the globe and make a hassle free payment simply with the click of a mouse.

The payment mechanisms that affect the spending of the consumers such as cash and credit cards have been explored in detail in these studies. However, limited studies have been conducted on the effect of these mechanisms on impulse buying behaviour. There is a need to explore the impact of increasing number of cashless transactions on impulse buying behaviour in India because after the demonetisation move in India in 2016, mobile wallets and other digital payment modes are progressively increasing popularity among Indian consumers (Khushiramani, 2017). With the availability of plastic money consumers are able to purchase more as it gives convenience of payment. Factors like 'pain of payment' (Chartterjee & Rose, 2012; Srivastava & Raghuram, 2008), temporary separation of payment transaction from benefit consumption (Siemens, 2007) and high self-control personality (Wilcox, Block, & Eisenstein, 2011) have been studied individually with regard to cashless transactions but the overall effect of these on impulse buying behaviour needs to be analysed.

Through this paper we have tried to understand the growth of cashless system in India and how it is likely to lead to impulsive buying behaviour among consumers. Our main contribution is to propose a conceptual model on the antecedents of impulse buying behaviour in an evolving cashless Indian economy. The main objectives of this paper are:

- To trace the growth of cashless system in India.
- To identify the antecedents of impulse buying behaviour in an evolving cashless system in India.
- To understand the relationship between the antecedents of impulse buying behaviour and cashless transactions.

2 CONTEXT OF THE STUDY

2.1 Meaning of cashless economy

A cashless economy is one where cash flow is minimal or non-existent. It does not mean absence of cash but minimal use of cash; hence, the name- cash 'less'. In a cashless economy, electronic medium of payments like debit card, credit card, electronic merchants, payments such as Immediate Payment Service (IMPS) are the mode of transaction. In this economy, a third-party such as the government or a public/private sector bank possesses an individual's money and can circulate that money whenever it is not needed by the individual. A cashless economy is an economic system in which transactions are not done predominantly in exchange for actual cash.

It is not also an economic system where goods and services are exchanged for goods and services (the barter system). It is an economic setting in which goods and services are bought and paid for through electronic media (Mukhopadhyay, 2016). It is defined as “one in which there are assumed to be no transactions frictions that can be reduced through the use of money balances, and that accordingly provide a reason for holding such balances even when they earn rate of return” (Barbaroux, 2007). It is a financial environment that considerably reduces the use of tangible cash by providing alternative channels for making payments.

The cashless economy policy is designed to provide mobile/ internet, plastic money payment services and hence, do away with the traditional barriers hindering financial inclusion of millions people. This is expected to lower the cost of financial services and secure convenient financial services to urban, semi-urban and rural areas across the country. This has, however become an albatross to some elites, the poor, the uneducated and traders (Eromosele and Obinna, 2012).

2.2 India moving towards a cashless economy

The Reserve Bank of India and the current government are making several efforts to reduce the use of cash in the economy by promoting digital/payment devices including prepaid instruments and cards. Cashless transaction economy doesn't mean shortage of cash rather it indicates a culture of people settling transactions digitally with minimum possible hassles. In this modern economy, the money moves invisibly through electronic modes of payment. As per a study by Tufts University, 'The Cost of Cash in India', a shift to a cashless economy will make it difficult for tax evaders to illegally horde their income. In an agrarian based economy such as ours, hoarding cash in the hands of a few will only push the economy to doldrums. (Gurumurthy 2017).

The government on its part is working at various levels to reduce the dependence on cash. The 'Jan-DhanYojana' which facilitated opening up of bank accounts for people in rural areas with zero balance and adoption of direct benefit transfer are examples of initiatives to reduce usage of cash and increase transparency. RBI has also licensed opening of new-age small finance banks and payments banks to give a necessary push to financial inclusion and bring innovative banking solutions. The recently launched Unified Payments Interface by National Payments Corporation of India makes digital transactions as comprehensive as sending simple a text message.

2.3 Evolution of the cashless system in India

The evolution of India's financial infrastructure can be divided into three phases:

PHASE I-

- 1984: Introduction of Magnetic Ink Character Recognition (MICR) technology
- 1987: First ATM was installed in Kolkata
- 1988: Computerized settlement operations at clearing houses of RBI
- 1998–2000: Core banking software

PHASE II

- 2001: Internet banking

- 2004: National Financial Switch (NFS)
- 2004–2005: Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT)
- 2007 : Mobile banking
- 2008: Cheque truncation systems

PHASE III

- 2010: Immediate Payment Service (IMPS)
- 2012: Adoption of ISO 20022 messaging standard in the Next Generation RTGS (NG-RTGS) system
- 2014: Jan DhanYojana, National Unified USSD Platform, RuPay Card, Bharat Bill Payment System (BBPS)
- 2016: Unified Payment Interface (UPI), payment banks, mobile wallets
- 2017: Bharat Interface for Money (BHIM) app

2.4 A major leap towards cashless economy in India: Demonetisation

On November 8th 2016, the government of India officially withdrew Rs 500 and Rs 1000 currency notes- two highest denominations in circulation. The main aim behind this drastic step was to fight counterfeit and black money. Financial inclusion has gained eminence as the banking system thrived and various platforms were adopted in India(Krishnan,2016).

As per a report of TRAI, (as on 30 September 2016) 82 out of 100 citizens in India owned a mobile phone. The growth of the telecom sector has occurred at a time, when call and data rates are decreasing significantly along with the prices of smart phones. This is accelerating the shift to a cashless society. Demonetizations has added momentum to e-wallet services. Mobile wallets have witnessed a huge surge in app downloads. With thrust on financial inclusion, digitisation of the economy and increased use of smart phones, online transactions are increasing among the urban Indian population. This has resulted in a phenomenal growth in mobile wallets to the tune of 100% in app download numbers and has witnessed an upwards of 400% increase in wallet recharges. The smart phone revolution has boosted the rise of e-commerce, m-commerce and other services including app-based cab aggregators, who promote digital payments for using various services. The value added services such as cash back, bill payment facilities, loyalty points, rewards and ease of use have promoted surge in accelerated usage of such digital platforms.

3 LITERATURE REVIEW

3.1 Impulse buying

Initially, impulse buying and unplanned buying were used interchangeably(Clover, 1950; West, 1951). Later on, many researchers identified that both these terms are different. Iyer (1989) stated that impulse buying is a narrower concept and it comes under unplanned purchase. In

other words, each and every impulse buying is known as unplanned buying but each and every unplanned buying is not always impulsively decided. Stern, (1962) was the first one to classify buying behaviour into three categories – planned, unplanned and impulse. Planned purchase is a result of two simultaneous processes: time-consuming information searching (looking out for products that will fulfill our need, listing out alternatives) and rational decision making (choosing the best suiting product among the alternatives depending on how well it will suit one's requirement, price, quality or quantity). Unplanned purchases deal with decisions regarding shopping which are made without any prior planning. On the other hand, impulse buying is different from unplanned buying on the basis of quick decision making and an instant, compelling and tempting urge to buy.

According to Rook, (1987) impulse buying is a quick move. Individuals do not waste time in choosing a product; they simply seize one. Impulse buying is a sudden response to stimulus and is the result of some factors which make one grab the product immediately (Rook, 1987). Beatty and Ferrell, (1998) defined impulse buying as an instant purchase where a consumer does not have any prior intent to make a purchase of any specific product category or to attain any specific buying requirement. They elucidated that impulse buying takes place when individuals experience an urge to buy and they make purchase in haste. It does not include the purchase of reminder items i.e. those items which have run out of stock at home. When a consumer experiences a strong urge and purchases a product with little or no thinking then it is known as impulse buying (Block and Morwitz, 1999). Kacen and Lee, (2002) expressed that impulsive buying behaviour, when compared to planned purchasing behaviour, is more stimulating and alluring.

3.2 Factors influencing impulse buying behaviour

Many studies have given ample of factors which affect impulse buying behavior of individuals. Murugananathan and Bhakat, (2013) have classified them into four categories- external factors and store environment, internal factors, demographic and social factors, product related and situational factors.

3.2.1 External factors and store environment

External factors include all those factors which are beyond the control of consumers. They are basically those which are controlled by the marketer and act as marketing cues or stimuli for the purpose of impacting purchase behaviour of consumers (Youn and Faber, 2000). It has to do more with marketing and shopping environment. Marketing environment includes all activities related to sales and advertising whereas shopping environment includes the size of the store, aura of the place, positioning of products and design of the store (Murugananathan and Bhakat, 2013). Beatty and Ferrell, (1998) proposed a model in which they explored the impact of two variables i.e. endogenous and exogenous on impulse buying behaviour. They stated that in-store browsing is the chief component influencing the process of impulse buying. The longer an individual browses in a store, the more an urge is generated which results in impulsive buying. Music and fragrance also play an important role in increasing the level of pleasure among consumers which results in a positive impact and influences approach behaviour and consumers are more satisfied with their shopping experience (Morrison et al, 2011). Chandon et al, (2009) stated that in-store

marketing activities have a noticeable impact on the visual attention of the visiting consumers. Harmancioglu, (2009) proposed that marketing managers need to focus on the variety of promotional activities for the purpose of encouraging impulse buying in consumers and pressing them towards new products.

3.2.2 Internal factors

Muruhananthan and Bhakat (2013) defined internal factors or stimuli as those factors which are related to different personality traits of individuals. It points at individual's cues and characteristics which result in impulse buying behaviour. According to Rook and Hoch (1985) it is the person who experiences consuming impulses during shopping and not the product. Beatty and Ferrell (1998) stated in their study that when a person is in a good mood then s/he engages in approach behaviour than avoidance behaviour. Others have also (Cunningham, 1979; Isen, 1984; Isen and Levin, 1972) suggested that people reward themselves more generously when they have a positive mood. On the other hand, the impact of negative mood is not clear. Sometimes people with a negative mood tend to purchase more while at other times it decreases their approach behaviour (Clark and Isen, 1982). Weinberg and Gottwald (1982) stated that feelings of amusement, delight, enthusiasm and joy also influence impulse buying behaviour while Donovan and Rossiter (1994) found that pleasure has a positive impact on impulse buying behaviour. Beatty and Ferrell (1998) considered shopping enjoyment and impulse buying tendency as major factors which influence buying behaviour. In a study conducted by Rook (1987) consumers reported that they were more activated after a shopping experience.

Hausman (2000) found that hedonic motives which include need for novelty, social interaction and fun act as contributors to impulse buying behaviour. People tend to go for more shopping because it helps them to fulfil their emotional support needs through social interaction. Hausman (2000) incorporated Maslow's hierarchy of needs in his study. He stated that in order to satisfy the higher order needs (social, self-esteem and self-actualisation needs) people tend to indulge in impulse buying behaviour.

3.2.3 Situational and product related factors

According to Shapiro (1992) situational factors that lead to impulse buying include location of retail outlet, shopping time and habits. Beatty and Ferrell (1998) considered the availability of time and money as situational factors which influence the impulse buying behaviour. Situational factors help in moderating the relationship between environment of the store and impulsive moods of the consumers (Xu, 2007). According to Beatty and Ferrell (1998) people's in-store browsing depends on his/her impulse buying tendency and the availability of time which in turn influences one's feelings and impulse buying urge positively. The more time a person has the more he/she will spend browsing in-store which in turn creates an urge to buy a product impulsively.

Impulse buying behaviour has been noticed across a variety of product categories like books, clothing and equipment used for exercises (Yu and Bastin, 2010). According to Kumar (2007) apart from FMCG, the concept of impulse buying is also applicable to durable goods. Han et al (1991) explored the impulse buying behaviour in fashion wear and observed different patterns like emotional, reminded and fashion-driven impulse.

3.2.4 Demographic and social factors

Demographic features of consumers are reported to have an impact on their impulse buying behaviour (Kollat and Willett, 1967). Dittmar et al (1996) postulate that gender impacts impulse buying behaviour. Women are more likely to indulge in impulse buying of goods which are self-expressive, symbolic and relate with their emotions. Men, on the other hand tend to purchase leisure and instrumental items which basically depict their activity and independence. The increase in income and availability of credit influences impulse buying behaviour of consumers (Dittmar et al, 1996).

According to Mattila and Wirtz (2008) social factors are categorized into two: co-customers and salesmen. They suggest store managers can try to minimise the negative impact of crowding by imparting training to their salesperson to behave nicely and in a friendly manner with their customers during the busy schedule because the way salesmen will treat their customers will directly influence the impulse buying behaviour of the customers. (Luo 2005) stated that people's urge to purchase increases when they are shopping with their friends or peers but it diminishes when they are with their family members.

4 ANTECEDENTS OF IMPULSE BUYING

4.1 Self-control

There are two types of people; present and future oriented and both have a different outlook towards spending and savings (Mendoza & Pracejus, 1997). Braga et al (2013) indicated that individuals have both short term emotional factors and long term rational concerns which impact their choices and behaviour and it is the individuals who have to decide whether they want to self-regulate their impulse or instant needs in order to achieve long-term goals.

Self-control is the ability to control one's emotions, feelings, behaviour and desires. It is basically one's capacity to have a hold on to his or her actions and responses to stimuli (Baumeister, 2002). According to Braga et al (2013), self-control is not only concerned with one's ability to change its reactions but also the ability to make decisions about saving money (future goals) or buying a product (instant desire). Studies claim that few consumers witness a problem of self-control due to which they plunge into a consumption path that is unsustainable to both self and society (Khan, 2008). Romal and Kaplan (1995) conducted a few studies and concluded that individuals who have high self-control have better money management skills which means they believe in saving more than spending. Accordingly, we can construe that lack of self-control is one of the factors which leads to impulse buying behaviour. With the inception of digital wallets as the payment mode individuals are likely to start consuming more and lose their self-controlling ability. Hirschman (1979) identified that individuals who own more credit cards tend to purchase more per departmental store visit. Due to technological advancement, money has undergone fundamental transformation and has taken the form of digital wallets, which gives consumers the convenience of payment. Consumers have money in virtual form, because of which they can easily purchase whatever they desire to; since the money is always available to them through virtual vaults thus, they lack control over their purchasing behaviours.

As stated by Baumeister (2002), effective self-control is contingent upon three components- standards, a monitoring process and the operational capacity to alter one's behaviour. Standards are a summation of goals, ideals, norms and other guidelines that shape the desired response. Consumers who have pre-determined goals are less likely to indulge in impulse buying as compared to those who have no idea what they want. In addition to it, conflicting goals (like savings or spending) also create a problem of self-control among consumers. If an individual is in distress then it leads to self-control failure. Every person wants to be contented and if a person is not happy or is in stress then the goal of being happy surpasses the self-regulatory goals which results in purchase of a product. The second component is the process of monitoring which means keeping record of the pertinent behaviour. People should be aware of how much money they are spending, but it is not possible in case of 'cashless transactions'. Thus, it can be said that cashless transactions are done through electronic modes so it is not possible for people to always keep track of these transactions and when they lose track of their behaviour self-control breaks down which may ultimately lead to impulse buying behaviour. Soman (2001) conducted two real-world studies in order to test the retaining capacity of the people who make payments through credit cards. The students were asked to recall the exact amount which they had spent. Those students who made payments in cash were able to accurately recall the amount spent in comparison to those who had made payments through credit cards. The third ingredient of self-control is the capacity to alter self.

Today, especially, the youth is highly susceptible to marketing cues and stimuli and therefore, fails to control him/herself when they move out to purchase some stuff. The facility of cashless transactions also beefs up one's desire to purchase a certain product/item as it eases the pressure of carrying heavy cash. Based on literature review it is hypothesized that:

H1: Cashless transactions will lead to lack of self-control among Indian consumers.

H2: Lack of self-control will lead to impulse buying behaviour among Indian consumers through cashless transactions.

4.2 Pain of paying

People are apprehensive of shelling out money. In the year 1996, Zellermayer introduced a psychological phenomenon known as the pain of paying. The pain of paying basically refers to an immediate displeasure or pain which a person experiences after making a payment for product/services (Zellermayer, 1996). When a person experiences the pain of paying then it reduces the pleasure of making a purchase which in turn leads to no purchase at all (Horst and Matthijsen, 2013).

With the emergence of digital wallets this pain is thought to be reduced. The reason behind it is the intangibility of money. The mode of payment influences the pain of paying. The more the modes of payment are transparent the less the buyer is willing to spend on a purchase (Horst and Matthijsen, 2013). Payments done through debit cards and credit cards are less visible than payments made in cash. Khan (2008) stated in their study that when consumers make payments through electronic modes then it influences their purchasing behaviour and they tend to purchase more due to intangibility of notes. Chatterjee and Rose (2012) indicated that every consumer perceives different payment modes differently. Consumers who use credit cards as the mode of

payment tend to focus more on the features of the products and those who use cash as the payment mode tend to focus more on the product cost. The pain of paying is directly related to the payment method. When there are more clarity and transparency in the payment method, it sends out stronger stimuli to the consumer/buyer regarding the payment method and reminds him/her that their wealth will deplete in the event of purchasing the product (Yeung, 2014). Basically, the tangibility of notes and coins creates awareness among people and it makes them realise that some precious thing is being exchanged. Consumer's brain is programmed in such a way that he perceives the purchase of a product as a two-way process involving the remittance of money value in the form of cheque or cash and getting the product in return. His senses of vision and feel send a negative response to the brain and it becomes a bit painful and makes him discontent. On the other hand, if he chooses ETS (electronic transfer system) method he simply has to swipe his card and pay for the product. This transaction minimalizes the tangibility and the consumer's brain receives a positive response and renders contentment to the consumer (Khan and Craig-lees, 2009).

Soman (2001, 2003) described transparency of the mode of payment on the basis of three factors – the salience of payment form, the salience of amount paid and the relative timing of transaction and money outflow. According to him, cash is the most transparent mode of payment and prepaid cards and electronic wallets are the least transparent mode of payment. Soman (2001) stated that payments made through credit cards as compared to cash lead to a lower pain of payment. Table has been adapted by Braga et al (2013), from Soman (2003) of transparency levels of different payment methods.

Table 1: Transparency Levels of Different Payment Mechanisms by Braga et al (2013)

| Payment Mechanism | Salience of Form | Salience Amount | of Transparency |
|--|------------------|-----------------|-----------------|
| Cash | Very High | High | High |
| Cheque | Medium | High | Medium |
| Credit card | Medium | Medium | Low |
| Debit card | Medium | Medium | Low |
| Stored value card | Low | Low | Very Low |
| Auto pay (Direct debt from bank account) | Very Low | Very Low | Very Low |
| Digital Wallet | Medium | Medium | Low |

Shah et al (2016) stated that with the vast technological development variety of modes of payment has been introduced they include payments made through mobile or automatic payroll deductions which are even less transparent as compared to credit and debit cards. The reason behind this is that the customers at times are not even aware of the occurrence of payment. Based on literature review it is hypothesized that:

H3: Cashless transactions will reduce pain of payment among Indian consumers.

H4: Reduction in pain of payment will lead to impulse buying behaviour among Indian consumers through cashless mode.

4.3 Lifestyle

It is a known fact that we are in a constant consumption- centred quest to attain a good life. (Bernthal et al, 2005). Credit as well as debit cards are increasingly regulating our lives. Consumer researchers have studied and analysed consumption's role in determining lifestyle of people thus, producing persistent social class and status hierarchies. In other words, the consumption pattern of an individual depicts his/her lifestyle and is an indicator of his/her status in the society. Pierre Bourdieu (1984), one of the most prominent social theorists, argues in his acclaimed *Distinction* that social life is in essence an intense competition for status attainment in which actors (people) compete for status in various areas called fields. Actors achieve status in these fields by using varying status-generating assets namely, economic capital (financial resources), social capital (relationships, network ties, organizational affiliations) and cultural capital (skills, tastes, knowledge, practices).

Of all the above mentioned factors, cultural capital is considered as the most important determinant of overall status in contemporary capitalist societies (Bourdieu, 1984). According to this view, social actors i.e. people in the society need not apparently jockey for status since nearly all social interactions are designed as acts of status positioning. In other words, the mere expression of valued skills, tastes, knowledge, and practices serves to sort, distinguish, and consequently stratify people into social hierarchy.

The researchers' attention was drawn to the increasing use of credit cards among Indian consumers in the wake of the upsurge of cashless transactions post November, 2017. Even at a time of financial crunch, the consumption pattern of the consumers was not altered drastically. This was also the time when all leading banks came up with various plans on credit and debit cards so that the consumer could 'live richly' (Brandon, 2017). The increasing use of credit cards is an indicator of a tendency of 'lifestyle building' (Holt, 1998). This refers to practises designed to facilitate the attainment of specific lifestyle objectives through easy use of credit cards even though a consumer's bank balance may be low. For e.g., a consumer may purchase a king size bed with the help of his credit card and repay the amount in instalments as and when the cash may be available. Thus, technically he/ she cannot afford the bed; however, in order to maintain a status he/she buys it and repays later.

Credit cards allow consumers to signal the ability to compete in the consumption arena without which they will be unable to do so. The consumer is able to construct a lifestyle around a particular set of tastes that they do not particularly need for consumption but just to possess so that they can send an important signal to those with whom they associate. For many consumers possession of a credit card is actually a 'lifestyle signaling'. It means that the credit card holder wants to communicate his/her efforts in achieving lifestyle consumption markers. Generally, the users of credit card experience 'freedom' from cash and thus, they indulge in excessive purchasing. This leads to a paradox: on one hand plastic money may be characterized as 'convenient' and 'necessary' but it can also be 'addicting' and 'tempting'. Thus, the consumer

may become frugal and end up consuming unnecessarily just to attain a particular life-style. Based on the literature review it was hypothesized that:

H5: Cashless transactions will enhance lifestyle of Indian consumers.

H6: An urge to improve lifestyle will lead to impulse buying behaviour among Indian consumers through cashless transactions.

4.4 Role of immediacy of payments

Consumers today have the option of paying for purchases with an increasingly growing array of payment mechanisms. Apart from conventional methods like cash and checks, the recent years have seen rapid propagation of plastic payment mechanisms like credit cards, charge cards, and debit cards (Green 1997). Many other mechanisms like traveller's checks, credit checks, bank drafts, and money orders are also common. A whole new generation of payment mechanisms like smart cards, memory cards, and electronic payments have come up and constitute a significant proportion of all consumer transactions (Meidan et. al). This proliferation of payment mechanisms has had a significant impact on consumer behaviour. Studies conducted during the transition of cash into cashless economies revealed interesting facts which were observed by Hirschman (1979) and Feinberg (1986) who used actual consumer transactions to compare the spending of consumers who paid by credit cards with those who used cash or checks. They realised that the former spent more in similar situations. Prelec and Simester (1998) conducted an auction in which the subjects bid for tickets to a sport that were to be purchased by the winner on the following day by using either cash or credit card. Their finding was that the willingness-to-pay was significantly greater among the credit-card holders as compared to the bidders with cash. Consumers generally use credit cards to purchase durable products (e.g. a refrigerator) so that the burden of the cost is not immediately felt (Prelec et al, 1998). However, in addition to such strategic reasons, the choice of a payment mechanism is motivated by simpler factors like convenience (e.g., a credit/debit card is always in one's wallet), acceptability (e.g., usually all cards are valid for all transactions), accessibility (e.g., it is not possible to run to an ATM in case of a medical emergency), and habit (some consumers may feel it is safer to pay through plastic money rather than carry cash around). If we talk of consumers' attitude towards the immediacy of payments in a cashless society, we realise that it appeals to both cognition as well as affect component. In the former case, the consumer may rationalise that it is 'easier', 'speedier', and more convenient to pay by a card. In the latter case, the consumer may like a certain product/ service and will eventually pay for it 'immediately' by a card without giving his/her behaviour of buying impulsively a second thought. Based on the literature review it is hypothesized that:

H7: Cashless transactions will invigorate immediacy of payment among Indian consumers.

H8: Availability of various modes of cashless payments will increase impulse buying behaviour among Indian consumers.

5 DISCUSSION AND IMPLICATIONS

With the growth of cashless system in India, consumers are likely to indulge in impulsive buying. The gradual shift from paper to electronic modes of transaction has made it easy for

consumers to purchase products in an impulsive manner because it gives convenience of payment, it is easy to handle and is accessible anytime anywhere. A detailed review of the literature reveals that cashless transactions do not directly lead to impulse buying. However, self-control, immediacy of payments, lifestyle and pain of payment tend to impact impulse buying behaviour in an evolving cashless economy. Impulse buying behaviour is a complex phenomenon owing to differences in consumers' perception. It is a complicated and multifaceted phenomenon (Murugantham&Bhakat,2013) which has accounted for an upsurge in the use of cashless modes of payment. We have proposed a conceptual model (Figure 1) outlining the various antecedents of impulse buying in an evolving cashless Indian economy. With an increase in cashless transactions, people tend to lose self-control (H1) which leads to impulsive purchase decisions (H2). With the use of different modes of cashless transactions like credit/debit cards, net banking, PAYTM and various other applications, the pain of payment is reduced (H3) due to which people do not think twice before spending and end up purchasing impulsively (H4). Plastic money has enabled immediate payments (H7) which have considerably enhanced the lifestyle (H5) of consumers. Thus, with the availability of various modes of cashless payments (H8) and a desire to improve lifestyle (H6) people are indulging in impulse buying. All these hypotheses are shown in the model (figure 1). According to our proposed model, cashless transactions have invigorated immediacy of payment among consumers, enhanced the lifestyle, reduced the pain of making payment in tangible currency and resulted in a steady loss of self-control among consumers. All these factors create an urgency to buy a product thereby leading to impulse buying behaviour.

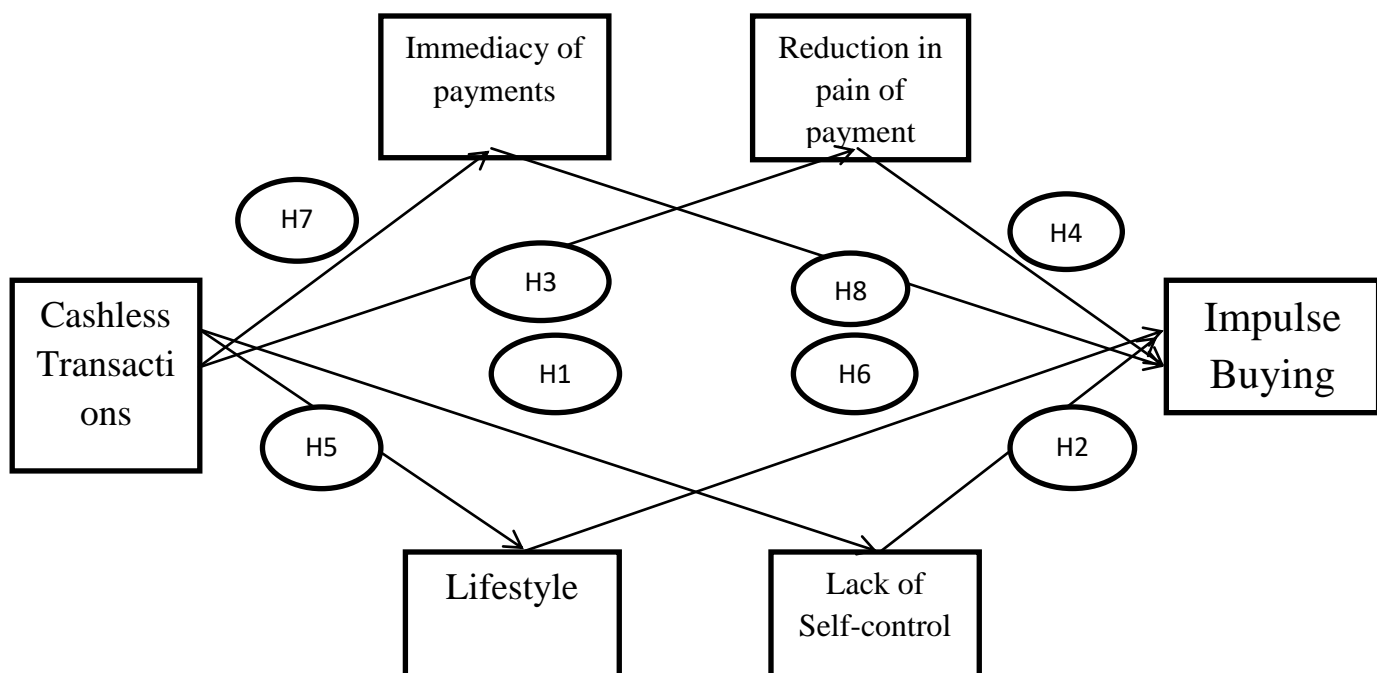


Figure1: Proposed Conceptual Model

This model can have implications for marketers, retailers as well as e-retailers. Since today's market is flooded with so many e-commerce businesses so the purchasing choices of consumers have increased manifold on a global platform. The marketplace is just a click away for the consumer today. One does not have to think twice before buying a product of one's choice. Since the payment mechanism is being made simpler and speedier daily, the consumers are displaying impulsive buying behaviour. This creates an opportunity for retailers to understand the changes in buying behaviour of Indian consumers in an evolving cashless economy. But we cannot forget the fact that, India still is a cash intensive market since most of the Indian consumers prefer cash instead of electronic payments. Nielsen's Global Connected Commerce Survey,(2016) stated that 83 per cent of Indian consumers still have an inclination toward cash on delivery payment mode instead of credit cards for online purchases. The Indian government, on the other hand, has made a lot of efforts such as provide tax benefits for making payments through digital modes and have simplified online payment process to promote digital payments in order to slow down cash transactions (Singh, 2016). It is noteworthy to mention that after demonetisation, online payments are becoming quite popular which is helping to convert cash transactions into online payments.

To sum up, one can say that Indian consumers are gradually moving towards a cashless economy. With the inception of various digital modes of payments consumers are likely to indulge in impulsive buying due to various factors such as lack of self-control, reduction in pain of payment, improved lifestyle and immediacy of payments. Future research can be done to empirically test the proposed model. Apart from the four variables that the researchers have identified, i.e. self-control, pain of paying, lifestyle and immediacy of payment other variables can also be identified.

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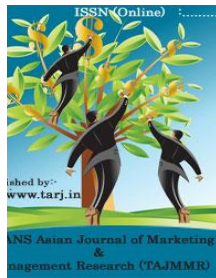
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IMPACT OF PERSONALITY OF MANAGEMENT TEACHER ON JOB INVOLVEMENT. (AN EMPIRICAL RESEARCH ON MANAGEMENT TEACHERS IN PUNJAB)

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ABSTRACT

The study aims to investigate the relationship between big five personality traits and Job Involvement in the Management institutes in Punjab. The population consisted of the management teachers in Punjab. The study was done in the major districts of Punjab like Ludhiana, Bathinda, Jalandhar, etc. The structured questionnaires regarding the Big Five Personality was used which includes the five personality types i.e. Agreeableness, Openness to experience, Extroversion, Conscientiousness and Neuroticism. Similarly the structured questionnaire regarding the Job Involvement was used to analyse the results. Correlation and Regression Analysis was used to analyse the results. The result shows that there is 13% impact of the management teachers in Job Involvement. Correlation analysis shows that the Agreeableness and the Conscientiousness personality type shows the highest correlation which states that the management teacher with high in these personality types are able to show results in the management institute.

KEYWORDS: *Personality, Job Involvement, Extroversion, Conscientiousness, Neuroticism.*

1. INTRODUCTION

The teacher plays an important role in building the nation and acts as a facilitator between students and knowledge. In building any nation, the teachers play a very important role for the wellbeing of the student who transfer the knowledge, manpower development and also for the realization of the educational policies. The quality of any organization even nation also depends upon the quality of the manpower in the organization which is totally dependent on the quality of the teacher. The performance of the student depends upon the quality of a teacher, **Santibanez (2006)**. He further stated that in terms of developing human capital for knowledgeable society the teachers are the backbone and are the valuable assets in the organization. **Di Paola & Tschannen- Moran (2001)**, when the teacher goes beyond their role expectations, the success of schools fundamentally depends upon the teachers. It has been rightly remarked by **Ukaegbu (2012)** that education is very important to develop the nation and the education here is provided by the teachers only who inculcate in them the knowledge, skill, attitude to develop the nation.

1.1 PERSONALITY

The most important variable for the organization is the education. The personality of a person is observed by his/her attitude. Now a days, focus is given on the personality of a person who is directly involved in the education. The personality of an individual is characterized by thinking, feeling and behaving of an individual. The personality of one individual is different from another. The **Five-Factor Model (FFM)** of personality is one of the prominent models in contemporary psychology and defines personality in terms of five broad factors, namely, Neuroticism, Extraversion, and Openness to Experience, Agreeableness, and Conscientiousness. **McCrae & Costa, 1990** states that Five Factor Model shows the dimensions of individual differences in traits which show consistent pattern of thoughts, feelings and actions. Again in **2001 McCrae** traits give rise to habits, attitudes, skills, beliefs and characteristics adaptations which are endogenous basic tendencies. Similarly **Church, 2000** defines traits as the relatively enduring and stable individual differences in feelings, thoughts, etc.

Robbins (2001) had defined personality as a result of human emotions and behaviour which is psychological in nature. Robbins had defined Personality as “way of interaction and reactions of individuals in which he behaves with other person.”

PERSONALITY TRAITS

Many psychologists have given the various psychological traits and personality dimensions. Many psychologists had been influenced by the work of Allport, Lewin and Murray. **Allport** had collected about 50 definitions and characterized them into various dimensions. Freud had divided the personality traits in to three i.e id, ego & super ego. He stated that with the interaction of these three components, a human behaviour emerges as an outcome. All the three outcomes operates the different functions like id operates pleasure principle, reality principle guides the ego component and super ego follows the moral principles. Human personality aggressive pleasure –seeking biological impulses and the social constraints on them arouse the conflict among the emotions, ideas, etc. (**Myers 1992**).

Acton (2002) has given the emotional stability, extraversion, intellect/ openness, agreeableness and conscientiousness as the personality factors. There is the difference between Cattell's global factors and big five personality types.

Carl Jung personality theory was taken as a base by Isabel Briggs Myres and her mother **Katherine C. Briggs (1940)** to develop Myres Briggs Type Indicator (MBTI). It classifies the behaviour of the individual in to 16 personality types. The behaviour of the individuals are different and due to these different behaviour patterns there are differences in their perception and judgment.

These 16 personality types are formed on the basis of the following four areas:

1. Extraversion and Intraversion.
2. Sensing and Institution.
3. Thinking and Feeling.
4. Judging and Perceiving.

Similarly many psychologists have given the various theories like trait theories, Holland have given his own six personality types, etc.

Big Five Model or the Five Factor Model came in to being in which some psychologists tries to relate the human personality and the psyche of the individual which includes the five factors i.e Openness to experience, conscientiousness, extraversion, agreeableness and neuroticism. These traits are remembered as OCEAN or CANOE. It is one of the most acceptable and applicacle theory of personality trait. Namely, the traits are:

1. Openness to experience
2. Conscientiousness
3. Extroversion.
4. Agreeableness
5. Neuroticism

1. Openness to experience:

It relates to the interests of the people. It is basically related to the appreciation for art, emotion, adventure, unusual ideas, curiosity and variety of experience. these people are more independent, curious, open to emotion, willing to try new things, innovative and are generally novelty type of persons.

2. Conscientiousness:

It relates to self- discipline, aim for achievement, act dutifully against the measures. There are both type of people, one who is on the high level of conscientiousness and other who are low on conscientiousness. The person who is highly conscientiousness tends to be more responsible, self disciplined and achievement oriented. On contrary, the people with low conscientiousness they aim for number of goals at one time.

3. Extroversion

It relates to energy, positive emotions, surgency, assertiveness, sociability and tendency to seek simulation in the company of others and talkativeness. The person's who are extrovert are tend to be full of energy, more interactive, enthusiastic and more action oriented. On contrary, the introvert people are having less energy, want to live alone, less assertive, less talkative, deliberate and less involved in the social world.

4. Agreeableness

It relates to the tendency to be compassionate and cooperative rather than suspicion and antagonistic towards others. It also relates to the trusting and helpful nature and temperedness of person. The persons who are high agreeable are having the value of getting along with the other's. On contrary, disagreeable people focus their interests on self, generally unconcerned with the other's feeling.

5. Neuroticism

It relates to the tendency to experience unpleasant emotions like anger, anxiety, depression and vulnerability. Emotional instability/ stability is the another name for neuroticism.

1.2 Job Involvement

Job involvements as a variable have been studied under different names with different perspective. Some study it as '**employee involvement**', '**employee engagement**', '**job engagement**'. It plays an important role in the development of an organization. Generally there is confusion in the terms of work aholism, job engagement and job involvement. Job involvement is considered as the superior variable than job engagement and workaholism. The concept of Job Involvement firstly was given by **Lodhal and Kejner in 1965**. According to him it is the importance of the work in his total self-image. In other words it refers to the identification of one's job and participating actively and taking the performance important to self worth.

One of the early definitions on job involvement is given by **Lodhal and Kejner (1965)** and have developed the job involvement scale to measure it. Job Involvement may be defined as "***Job involvement is the degree to which a person identified psychologically with his work, or the importance of work in his total self –image.*** It may also be defined "***as the degree to which a person's work performance affects his self- esteem.***

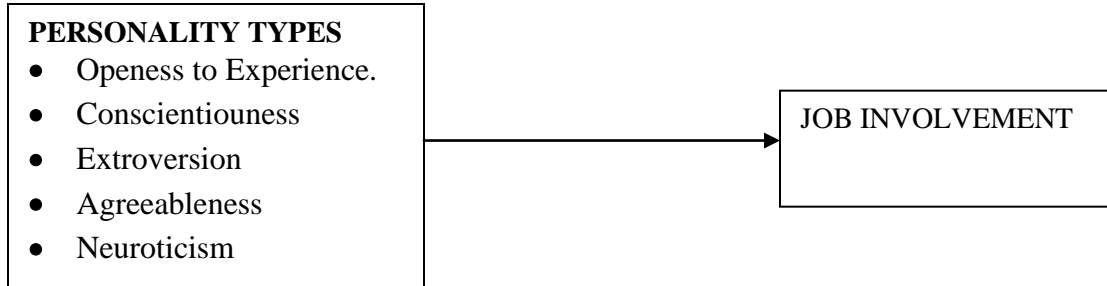
Harter, et.,al (2002) had defined "individual involvement and satisfaction with the enthusiasm at work." An engaged employee will be aware of the business context, works with colleagues and improve performance for the well being of the organization as stated by **Robinson et. al(2004)**. It is also considered an important tool as motivational variable. In the modern era, it contributes to the overall availability of human resources (**Gore, 2001**).

Generally the job involvement is studied on two perspectives which is related to the individual alone and also related to the work situations. As an individual alone the person's possession to the certain needs, values and personal characteristics likely to involve more or less in the organization. As a response to specific work situational characteristics, there are certain job characteristics which influence the job involvement.

2. Theoretical Framework and Hypothesis Development

2.1 Research Framework

The research is based on the proposed framework which is depicted in the figure. The framework considers the effect of Personality traits on Job Involvement. It is the conceptual framework model which simply depicts the various personality traits effect on Job Involvement.



2.2 Job Involvement with different Personality Types

The work involvement relationship with personality big five factors was examined by **Bozionelos (2004)**. The study includes 279 white collar workers, who were fully employed at different positions. The result shows that agreeableness is negatively related, openness is positively related

2.2.1 Job Involvement and Extroversion

These includes the traits like being active, sociable, assertive, talkative, energetic, gregarious, etc. these people are very jovial, interactive. (Goldberg, 1990; Watson & Clark, 1997; Mount & Barrick, 1995; Cooper, 2005). Heller and Mount, Judge (2002) studies shows that the people high in extroversion had a high level of job satisfaction. Erdheim, 2006 also showed the positive relation with job involvement. In the studies by Kular et. al., 2008 and Rich, 2006 showed that the physical energies exert a positive relationship with job involvement. In the recent studies by Harris and Fleming (2005); Manning et. al. (2006) showed the comfortableness in the relationships which are social and people are high in assertiveness, more talkative, etc. Many studies have shown the positive results in relation to job involvement, job satisfaction and personality. (Tokar and Subich, 1997; Day et. al, 1998; Nikolaou and Robertson, 2001; Judge et. al., 2002; Najafkhani, 2007; Loumsbury et. al., 2007; Patrick, 2010; Husin, 2011; Zahi et. al., 2012; Kappagoda, 2013). In contrast the studies by Soni (2003); Namdari (2013) showed that the introvert people are more stable, successful and showed the negative relationship between extrovert and job involvement. In the study by Erdhiem, Wang & Zickar, 2006 emotional commitment is positively associated with the personality of the individual.

2.2.2 Job Involvement and Neuroticism

Also labelled as emotional stability, emotionality and stability (Goldberg, 1990; Tellegan, 1985; Costa & McCrae, 1987) is known by the tendency to experience positive emotional states. Neuroticism is negatively related to emotions (Penly & Tomaka, 2002). People with high

in neuroticism are more depressed, nervous, lacking positive psychological adjustments and feeling of helplessness prevails (**Costa & McCrae, 1988; McCrae & John, 1992**). **Watson and Tellegan, 1985** stated that both the terms can be used interchangeably and is very closely related to negative affectivity. (**Erez & Judge, 2001**).

Smithikrai, 2007 showed the negative relationship with job success and will be less productive at work. In relation to other constructs like job satisfaction and leadership, it plays a negative role in predicting the job success. (**Niehoff, 2006**). Many studies have shown the negative relation with job satisfaction, involvement. (**Tokar and Subich, 1997; Connolly & Viswesvaran, 2000; Nikolaou and Robertson, 2001; Judge et. al., 2002; Bowling et. al., 2006; Matzler & Renzl, 2007; Patrick, 2010; Kappagoda, 2013**).

2.2.3 Job Involvement and Conscientiousness

It relates to determinedness and purposefulness. The people having high level of conscientiousness are more task or goal directed as thinking before doing, follow rules and norms, plans, prioritize things (**John and Srivastava, 1999**). Conscientiousness are more organized, orderly, efficient and persistent according to **Harris and Fleming (2005)**. **Judge et. al. (2002); Nikolaou and Robertson, 2009; Acuna et al., 2009, Kappagoda, 2013** shows the positive and significant relationship with conscientiousness and job involvement and job satisfaction. **Bruch and Anderson, 2004; Arthur and Doverspike, 2001; Wallace and Vodanovich, 2003** shows that low conscientiousness leads to the accomplishments of the tasks temporarily and high conscientiousness tends to increase job efficiency and ultimately increases Job Involvement. In contrast to the studies of **Heineck (2007)** the relationship between conscientiousness and performance showed the non linear slope.

2.2.4 Job Involvement and Agreeableness

Being Courteous, kind, loving, soft-hearted and caring are some of the characteristics of Agreeableness (**Harris and Fleming, 2005; Judge and Bono, 2000**). This personality type is important for the jobs related to service, sales, social work, teaching and others which helps in interaction with the people in general.

Some studies have shown the positive relationship between agreeableness and job satisfaction and involvement. (**Hammer, 2000; Acuna et al., 2009; Kappagoda, 2013; Judge et. al., 2002**). In contrast to it, the people with low agreeableness are more competitive, callous, cruel, ruthless and express hostility according to **Dijkstra et. al (2005)**. **Manning, 2006** study shows that people high in agreeableness are more sensitive and responsive to others and are good natured, cheerful and caring **Bernerth et. al, 2007; Cooper, 2003; Mount and Ilies, 2006**. Agreeable people are connected to welfare of the other people. (**Ashton and Lee, 2001**). **Erdheim et. al., 2006** echoed that this big five model is related to normative commitment.

2.2.5 Job Involvement and Openness to Experience

Technical innovation, political moderation is correlated to openness to experience. (**Judge et. al., 2002**). The people are broadminded, intelligent, flexible, curious and are highly imaginative. These types of people adjust themselves in any situation and are ready to take risk, more imaginative and their innovation is continuous. (**Costa and McCrae, 1992; John and**

Srivastava, 1999). Also stated by **Clarke and Robertson, 2005**; **Judge and Bono, 2000** the people with high openness are cultured and imaginative and broad minded too. High Openness in these people creates efficiency in the job as these people explore new ideas, generates curiosity level and also develops real interests. **Liao and Lee (2009)** shows the positive relationship between openness and job involvement. Even in the work by **Bozionelos (2004)**, **Manning et. al., 2006** there is high involvement in the job by the employees who are having high openness. As the study by **Robbins, 2001** says that the people with close mindedness are likely to take the jobs of police officers, marketing & Sales and other occupations and they perform well in such places.

From the above data the following Hypothesis were framed:

2.3 HYPOTHESIS

H1: there is no significant relationship between openness personality type and Job Involvement.

H2. There is no significant relationship between Conscientiousness personality type and Job Involvement.

H3. There is no significant relationship between Extroversion personality type and Job Involvement.

H4. There is no significant relationship between agreeableness personality type and Job Involvement.

H5. There is significant relationship between neuroticism personality type and Job Involvement.

3. METHODOLOGY

3.1 Survey

The survey questionnaire was used to collect the primary data for the current study. The study constructs were adopted from the existing literature. The population of the study consisted of the management teachers teaching in management institutes in Punjab district. Since there are 22 districts in Punjab and for the convenience of the researcher the districts near to Ludhiana are taken. 10 districts were taken for the study which includes **Ludhiana (largest district), Bathinda, Barnala, Moga, Jalandhar, Mohali, Chandigarh, Faridkot, Patiala and Phagwara.**

The questionnaires were mailed and were mailed online to get the response. The researcher have visited various colleges for getting the response.

The respondents targeted for the study were 400 management teachers.

3.2 Research Objectives

Primary Objective:

The main objective of the study is to determine the relationship between the personality traits and Job Involvement.

Secondary Objective:

- To determine the impact of different personality traits on Job Involvement.

3.3 Measures

The data collected for the research was done through survey method. For conducting the survey the related questionnaires were selected. The questionnaires or the survey instruments were used previously and are validated and structured. The following scales were used in the following questionnaire:

- Aggarwala (1978) had given the Job involvement scale which is used for the survey.
- Demographics constructs are included in the personal variables. The demographics constructs which are focused for survey are the age, educational qualification, salary of the respondent, gender of the sample and also the marital status.
- The Big-Five personality traits scale had been used to survey the personality traits of the individual. The big five personality traits have five dimensions on which the personality of an individual is surveyed i.e. Extraversion, Agreeableness, Conscientiousness, Openness to Experience and Neuroticism (Costa and McCrae, 1992; McCrae and John, 1992; John and Srivastav, 1999)

For both the Personality scales and the Job Involvement scale the respondents were asked to evaluate their agreement and disagreement with the statements provided using 5-point Likert scale where 5 indicates strongly agree and 1 indicate strongly disagree. On the basis of the responses the quantification of data was done.

3.4 Validity and Reliability

For checking the validity and reliability of the data, Cronbach Alpha have been used in SPSS. The result shows the following results.

| S.no | Particulars | Cronbach 's Alpha |
|------|-----------------|-------------------|
| 1 | Extroversion | .381 |
| 2 | Agreeableness | .671 |
| 3 | Consentiousness | .651 |
| 4 | Neuroticism | .570 |
| 5 | Openess | .600 |
| 6 | Job Involvement | .795 |
| 7 | Overall | .653 |

The above table shows the results of the various personality types and job involvement reliability in which agreeableness is showing the highest reliability and also job involvement shows the high job involvement. Overall also it shows good reliability.

4 RESULTS

In the study the management teachers generally possessed the Agreeableness, Conscientiousness and openness personality traits. Rest two traits i.e Neuroticism and extroversion shows very weak results.

| S.no | Personlity Type | Frequency | Percentage |
|------|-------------------|-----------|------------|
| 1 | Agreeableness | 129 | 32.3% |
| 2 | Conscientiousness | 91 | 22.8% |
| 3 | Openess | 180 | 45.0% |
| | Total | N=400 | 100% |

From the above table it has been observed that the most of the management teachers possess. Openness personality (N=180) which states that 45% of the respondents are open to do task which help them to keep themselves highly involved in their job. Agreeableness (32.3%) as their personality type with the frequency of 129 respondents. Conscientiousness also shows that 22.8% of the management teachers posses Conscientiousness (N=91) as their personality type.

4.1 Is there any impact of personality traits on job involvement?

The following table shows the relationship between the job involvement and all the personality traits.

ANOVA^b

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|----------------|-----|-------------|-------|-------------------|
| 1 Regression | 2707.368 | 5 | 541.474 | 5.756 | .000 ^a |
| Residual | 37065.392 | 394 | 94.075 | | |
| Total | 39772.760 | 399 | | | |

a. Predictors: (Constant), total of openness personality, total of agreeableness personality type, total of contentiousness personality type, total of extrovert personality type, total of neuroticism personality type

b. Dependent Variable: totalji

| Model | R | R square | Adjusted square | R | F- Value | Sig. change | F | Durbin Watson |
|-------|-------------------|----------|-----------------|---|----------|-------------|---|---------------|
| 1 | .361 ^a | .130 | .118 | | 5.756 | .000 | | 1.057 |

For seeing the impact of all the personality types together with the job involvement, the ANOVA table shows that there is significant relationship between the personality and the job involvement. Since the p value in ANOVA table is lower than the .05 which shows that there is significant relationship as the f-value in the ANOVA table seems to be positive. Similarly in the regression table, the adjusted r-square shows the value of .118 which means that 11.8% of variance have impact on job involvement. Moreover the value of regression shows that the personality factors

overall have 13% impact in job involvement. Since the research is totally behavioural so the results will vary and the maximum result cannot be predicted. The value of Durbin-Watson come out to be 1.057 which ultimately lies between 0 to 3 which shows that there is no multicollinearity between the variables and hence no overlapping is there.

4.2 Is there any correlation between the various personality types?

Correlation basically shows the relationship between the two variables. The following table shows the correlation between the various personality types which shows that the person who is having quality in extrovert is also having high in agreeableness. The person high in openness is also high in agreeableness.

CORRELATIONS

| | | total of extrovert personality type | total of agreeableness personality type | total of conscientiousness personality type | total of neuroticism personality type | total of openness personality type |
|--|-----------------|--|--|--|--|---|
| total of extrovert personality type | Pearson | 1 | .502** | .359** | -.777** | .547** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 |
| | N | 400 | 400 | 400 | 400 | 400 |
| total of agreeableness personality type | Pearson | .502** | 1 | .410** | -.426** | .402** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 |
| | N | 400 | 400 | 400 | 400 | 400 |
| total of conscientiousness personality type | Pearson | .359** | .410** | 1 | -.499** | .490** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 |
| | N | 400 | 400 | 400 | 400 | 400 |
| total of | Pearson | -.777** | -.426** | -.499** | 1 | -.859** |
| | Correlation | | | | | |

| | | | | | | |
|-------------------------------|---|-----------------------|-----------------------|-----------------------|------------------------|-------------|
| neuroticism personality type | Sig. (2-tailed) N | .000 400 | .000 400 | .000 400 | .000 400 | .000 400 |
| total of openness personality | Pearson Correlation Sig. (2-tailed) N | .547** .000 400 | .402** .000 400 | .490** .000 400 | -.859** .000 400 | 1 400 |

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

The correlation shows the positive results in some of the personality types. In the above table, the extrovert personality people are more agreeable and are willing to agree on certain matters. Even the people with high extrovert personality is also open and having openness as the personality type. The person with high agreeableness is highly correlated to conscientiousness and also with openness. The study shows Conscientiousness and agreeableness are highly correlated. The Neuroticism shows the negative correlation with each personality type. The openness and extrovert shows the highly positive relationship in the study.

CONCLUSION

The study states that the personality of the management teachers plays an important role in the job involvement. Since the personality of the teachers is the behavioral concept so the personalities of the management teacher do have an impact on the job involvement. The teachers with high impact will be highly involved in the job involvement.

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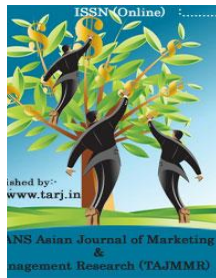
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A STUDY ON CONSUMER'S PREFERENCE FOR DAYS OF THE WEEK FOR SPECIAL OCCASION PURCHASES

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ABSTRACT

Retail store management has become important not only due to increase in consumer demand but also due to change towards cosmopolitan structure of population in major cities leading to diversity in consumer choices. Additionally, maximizing the fill rate of customer basket of purchases requires that inventory imbalances be minimized, that is ensure that the right kind of product is available in sufficient quantities on the shelf. This translates into understanding consumer preferences and the ability to predict consumer choices for different products. While this may seem impossible, given the diversity of consumer's choices at different shopping encounters, but this can be done to some extent for loyal customers (customers who visit the store often). One of the issues is to understand consumer behavior from the perspective of the days the customers choose to buy their products for special occasions such as marriages, religious functions, etc. for example there is a general tendency of customer in India across all regions avoid buying cooking oil and items made of metal (specifically made of iron) on Saturdays. Moreover, when it comes making purchases for special occasion consumers from different regions prefer different days of the week. This paper analyzes the consumer's preference of days of the week for special occasion purchases, such as marriages, religious functions, etc. and statistically tests the relationship between consumer's region of origin (North, South, East, and West) and their preference for days of the week. In addition, statistical test for relationship of annual income, gender, education, marital status, and age of consumer to days of

preference for special occasion purchases. It has been found through analysis that in general consumers preferred Wednesday, Saturday, and Sunday for shopping. Moreover, Education and Marital Status seemed to have significant influence on the choice of the days. Region of origin, income, Age, and Gender did not influence the choice of days for shopping. Furthermore, age, gender, education provide mediating effect on the region of origin.

KEYWORDS: *Consumer Behavior, Consumer Preference, Retailing, inventory management, special occasion purchases.*

1. INTRODUCTION

As result of soaring household income in sync with economic growth rate at over 6%, the retail demand has increased tremendously in the past 2 to 3 decades. Additionally, the emergence of the new middle class has increased the demand further. A McKinsey report published in 2007 has predicted that the household income in India will increase at a rapid rate and the household disposable income will grow at a CAGR of 5.3%. This not only means that there will be concomitant reduction in poverty but also indicates an increase in household consumption. Given this scenario retailing will become all the more important and the consumer will be more demanding in terms of availability of products in the retail outlets, which is directly linked to efficient inventory management, replenishment, and store management. This paper is an attempt at relating consumer behavior to efficient inventory management not only to satisfy customers but also to retain customers and hence increase sales revenue and competitiveness. One aspect of consumer behavior is the choice of days of the week on which to make purchases specifically for special occasions such as religious functions. This element of consumer behavior gains importance in view of the ubiquitous cultural intensity/diversity in India and the needs to be evaluated statistically. The next section provides a literature review of consumer behavior elements that have been published so far.

2. LITERATURE REVIEW

Consumer behavior and its relation to retail purchasing have been studied extensively. In the recent years post purchasing activities have received attention of researchers and in these studies the emphasis has been on customer satisfaction, dissatisfaction, repeat purchases, and customer retention. Little attention has been given to the relation between consumer behavior and retail store management. Consumer behavior as result of cultural affiliations have also received very little attention from researchers. Rogers and Williams (1987) and by Willemstad. (1989) have studied the relation between consumer's personal values and consumer behavior. Personal values have been studied and listed by Rokeach (1968). Personal values have been defined by elements such as needs, beliefs, desires, social requirements, etc. Rokeach has studied personal values in depth and classified them as shown in table 1. Vinson et al (1977) have studied how consumer's personal values can assist retailers in determining consumer choices. They have analyzed how familial, socio-cultural, and economic environment influence shapes the development of personal values. Further they have said that beliefs are central and important to evaluation of choices. They also contend that consumers develop personal values through experience, familial/peer group interactions, and religious instructions. They have asserted that differences in

product/brand preference is due to different personal values. Wall et al (1977) have studied prediction and profiling of consumers with reference to satisfaction/dissatisfaction and complaining behavior. William et al (1987, 1989) have studied the relationship between consumer's personal values and satisfaction with household appliances. Daniel et al (1984) have studied influence of personal values on advertising effectiveness. Camacho and Angelina (1983) have studied the cross cultural comparison of consumers complaining behavior. Vinson and Munson (1976) have studied the segmentation of customers based on personal values. Slama et al (1985) have studied the relationship between personal values and retail shopping behavior of consumers. Pitts and Woodside (1983) have studied the influence of personal values on consumer product class and brand preferences. Howard and Woodside have studied the influence of personal values on consumer's psychology. Henry (1976) has studied how personal values correlate with consumer behavior. Morganosky et al (1987) have analyzed the consumer complaining behavior in terms of demographics, lifestyle, and consumer's values.

3. RESEARCH METHODOLOGY

A convenience sampling of 250 customer visiting several stores were asked to answer questions relating to demographics and their preference of day of the week on which they would like to make purchases for special occasions. Out of the 250 responses only 100 were usable since the rest of them were either incomplete or contained contradictory responses. The survey responses were collated and ANOVA was performed. The profile of the sample is given in tables 2,3, 4, 5, and 6. The following null hypothesis and alternative hypothesis were tested:

1. H_0 – region of origin has no relation to consumer's choice of days of the week for special occasion purchases
 H_a – region of origin has a relation to consumer's choice of days of the week for special occasion purchases
2. H_0 – Annual income of consumer has no relation to consumer's choice of days of the week for special occasion purchases
 H_a – Annual income of consumer has a relation to consumer's choice of days of the week for special occasion purchases
3. H_0 – Age of consumer has no relation to consumer's choice of days of the week for special occasion purchases
 H_a – Age of consumer has a relation to consumer's choice of days of the week for special occasion purchases
4. H_0 – Level of education of consumer has no relation to consumer's choice of days of the week for special occasion purchases
 H_a – Level education of consumer has a relation to consumer's choice of days of the week for special occasion purchases
5. H_0 – Gender of consumer has no relation to consumer's choice of days of the week for special occasion purchases
 H_a – Gender of consumer has a relation to consumer's choice of days of the week for special occasion purchases
6. H_0 – Marital status of consumer has no relation to consumer's choice of days of the week for special occasion purchases

Ha – Marital status of consumer has a relation to consumer's choice of days of the week for special occasion purchases

RESULTS AND DISCUSSION

From the summary statistics of the survey responses given in tables 2 and 3 it can be inferred that 33%, 25%, 24% of the total respondents prefer Wednesday, Saturday, and Sunday respectively for special occasion purchases.

Cultural, social, and familial affiliations have been shown to shape consumer behavior in marketing research studies, Rogers and Williams (1987) and Vinson et al (1977). While people of India follow similar culture across regions (North, South, East, and West) and many similarities are found in their beliefs, but some difference can be commonly observed particularly with respect to festivals, marriages. For example, marriages in the northern states of UP, MP, Bihar with the exception of Punjab (where it is held during day time) are held during early hours of the day (past midnight) but in the southern states of Tamil Nadu, Karnataka, and Kerala marriages are held during day time. Similarly, the Diwali festival is celebrated with equal fervor across India, northern parts celebrate in the evening while in the southern states it is celebrated in the morning. Similarities such as avoidance Saturdays to buy Oil and metal articles is common across India. There are many more such difference and similarities among the populations despite linguistic and other demographic diversity. There are explanations available for these differences but in this paper we are looking at only the differences and not on why they are so. Moreover, our interest is in finding out whether such differences are manifest in consumer behavior also. The summary statistics of the survey response shows there does exist some difference day of the week preference. In order to establish what demographic factors influenced the choice of the day and if some of these factors provided mediating effect on the choice of the day an ANOVA was carried out using SPSS with Region, Age, Gender, Income levels, Marital Status, and education as factors and the choice of the day as dependent variable.

It is clear from the ANOVA output, Table 7 that there is no regional difference as far as the choice of days for shopping for items required for special occasions, p value 0.521. While the beliefs and notions are different in different regions of India it seems there is homogeneity in the choice of days for special occasion purchases. While making decision for special occasion purchases consumers tend to refer to religious almanac and in the absence of an almanac generic choices based on notions is made. In India the common notions include: "Budh sab shudh" that means Wednesday (Budhwar) is pure – there by indicating that Wednesday is good for all kinds of activities including new work. "Mangal sab amangal" that means Tuesday (Mangalwar) is inauspicious – there by indicating that Tuesday is not a preferred day for any work of importance except for daily routines. Since this kind of belief is common across all cultures throughout India, the results seem to be correct. It should be noted that there is a marked avoidance of Tuesday (only about 4% of the respondents have indicated Tuesday as preferred day for purchases).

Income, Age, and Gender do not seem to influence the choice of day for purchases, p values 0.065, 0.355, and 0.621 respectively. In so far as religiosity and cultural influence is concerned income has no role to play as is generally observed in Indian context. The results with respect to

Age and Gender are contrary to the general observations, that younger age people tend to give less importance to traditional beliefs and base their choice of day for shopping on convenience. Similarly, women in India are considered to be more traditional and they are expected to make choices in line with traditions and beliefs. The only explanation for this deviation from expected behavior could be that older people in the family tend to have a restraining influence on the younger members of the family. It should be kept in mind that consumer's behavior in India is shaped by family. Many decisions made in terms of purchases are made with the concurrence of the older members of the family. The other contradictions to general expectation found in this research include, the result that education level (p value 0.005) and marital status (p value 0.023) seem to influence choice of days for shopping for special occasions. The influence of education level seems to be inscrutable from this research and may require further study Graph 1 (marginal means). The influence of marital status may be explained as follows: as far as traditional households in India are concerned women of the house are considered to represent prosperity (Lakshmi) and influence family decision in such a way that it fits traditional beliefs and notions. Moreover, the women of the house are consulted on such matters before a final decision is arrived at.

Given the above results, further analysis to see if demographics such as age, gender, and education had any mediating effect revealed that all the three provided mediating effect on the choice of the days for shopping for special occasions. While there seems to be general regional indifference for choice of days, age, gender, and education seem to mediate in the choice of days and thereby lead to regional differences (tables 4, 5, and 6). It could be due to the general trend that some parts of India are more traditional than other parts. For example, people in the southern parts are considered to be more traditionally oriented than other parts. Further drilled down analysis could not be performed due to the small size of the sample.

4. CONCLUSION

The study brings out an important aspect of consumer behavior that not only helps in understanding how consumers shop with reference to choice of days of the week for special purposes but also gives managerial direction to retail outlets on inventory management, stock replenishment, and manpower planning. The survey results point out that the consumer's preference for days of week for special purchases is distributed over the week. The order of choice seems to be Wednesday, Saturday, and Sunday. Additionally, consumers of different age groups seem to choose different days for shopping for special occasions. Given this situation the demand is not uniform but lumpy and the store managers/owners need to profile their customers to understand when the demand lumps occur and plan their inventory accordingly. Individual stores would have to run their own analysis of their customer profiles to decide when the demand lump occurs. Moreover, additional research needs to be conducted to evince differences due to age education, and gender since they have a mediation effect on the choice of days.

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Table 1 Personal values (Rokeach (1968))

| |
|---|
| Ambitious – Hard working, aspiring |
| Broad Minded – Open Minded |
| Sense of capable – competent, effective |
| Cheerful – light hearted, Joyful |
| Clean – neat, tidy |
| Courageous – stands for beliefs |
| Forgiving – willing to pardon |
| Helpful – working for the welfare of others |
| Honest – sincere, truthful |
| Imaginative – Daring, Creative |
| Independent – self-reliant, self sufficient |

| |
|--|
| Intellectual – intelligent, reflective |
| Logical – consistent, well mannered |
| Loving – affectionate, tender |
| Obedient – dutiful, respectful |
| Polite – courteous, well mannered |
| Responsible – dependable |
| Self-controlled – restrained, self-disciplined |

TABLE 2: PROFILE OF RESPONDENTS

| REGION | Frequency |
|-----------------------|------------------|
| EAST | 8 |
| NORTH | 15 |
| SOUTH | 67 |
| WEST | 10 |
| Age | Frequency |
| Below 35 | 28 |
| 35 to 50 | 52 |
| 50 and above | 20 |
| Marital Status | Frequency |
| Married | 52 |
| Single | 48 |

Table 3: preference of Day while shopping for special occasions

| Day of the week | % of survey respondents |
|------------------------|--------------------------------|
| Sunday (SU) | 24 |
| Monday (M) | 2 |
| Tuesday (TU) | 4 |
| Wednesday (W) | 33 |
| Thursday (TH) | 8 |
| Friday (F) | 4 |
| Saturday (SA) | 25 |
| Total | 100 |

Table 4: Gender/Region Distribution of Respondents

| | | GENDER | | Total |
|--------|-------|------------|------|-------|
| | | Femal e | Male | |
| REGION | East | 4 | 4 | 8 |
| | North | 7 | 8 | 15 |
| | South | 33 | 34 | 67 |
| | West | 5 | 5 | 10 |
| Total | | 49 | 51 | 100 |

Table 5: Distribution of Education level among the Respondents

| | | EDUCATION | | | | Total |
|--------|-------|---------------|-----------------------|----------------------|---------------------------|-------|
| | | Schooli ng | Under Graduat e | Post Graduat e | High er studie s | |
| REGION | East | 3 | 2 | 3 | 0 | 8 |
| | North | 5 | 3 | 4 | 3 | 15 |
| | South | 27 | 14 | 11 | 15 | 67 |
| | West | 4 | 2 | 2 | 2 | 10 |
| Total | | 39 | 21 | 20 | 20 | 100 |

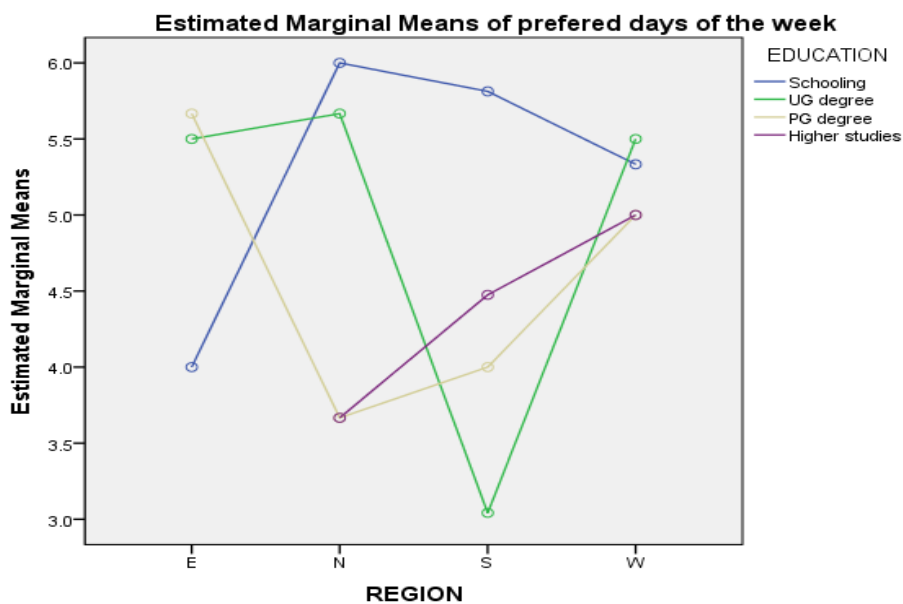
Table: 6 Distribution of Age categories among the respondents

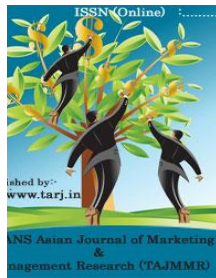
| | | Age | | | Total |
|--------|-------|-------------------|-------------------------|-------------------|-------|
| | | Below 30 years | 31 years to 50 years | Above 50 years | |
| REGION | East | 2 | 4 | 2 | 8 |
| | North | 6 | 7 | 2 | 15 |
| | South | 17 | 36 | 14 | 67 |
| | West | 3 | 5 | 2 | 10 |
| Total | | 28 | 52 | 20 | 100 |

Table 7: Analysis of Variance: Choice of the Day as dependent Variable and demographics as independent variables

| ANOVA | | | | | | |
|---|-------------------------|----|-------------|---------|------|--|
| Dependent Variable: Choice of day | | | | | | |
| Source | Type III Sum of Squares | Df | Mean Square | F | Sig. | |
| Corrected Model | 261.814 ^a | 42 | 6.234 | 4.839 | .000 | |
| Intercept | 665.969 | 1 | 665.969 | 516.987 | .000 | |
| REGION | 2.936 | 3 | .979 | .760 | .521 | |
| INCOME | 4.571 | 1 | 4.571 | 3.549 | .065 | |
| AGE | 2.714 | 2 | 1.357 | 1.053 | .355 | |
| EDUCATION | 18.058 | 3 | 6.019 | 4.673 | .005 | |
| GENDER | .318 | 1 | .318 | .247 | .621 | |
| MARITAL STATUS | 7.074 | 1 | 7.074 | 5.491 | .023 | |
| REGION * AGE | 27.137 | 4 | 6.784 | 5.267 | .001 | |
| REGION * EDUCATION | 5.717 | 1 | 5.717 | 4.438 | .040 | |
| REGION * GENDER | 12.545 | 2 | 6.272 | 4.869 | .011 | |
| a. R Squared = .781 (Adjusted R Squared = .620) | | | | | | |

Graph 1: Showing the marginal means from ANOVA output for Education and





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WOMEN NEED EMPOWERMENT FOR SOCIAL CHANGE

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ABSTRACT

In a society where women are empowered through education and employment and where women are participating in decision- making processes on all levels of society, there is generally an increased emphasis on values such as peace, social justice, equality, human rights and ecological sustainability, than in patriarchal societies. (Jeong, 2000, Bell, 2006) Bouta, Frerks and Bannon (2005) claims that “rebuilding social capital and cohesion are deeply gendered processes.” (p.123) They are emphasizing the importance of “women’s participation and representation in decision making processes in community driven development.” (Bouta, Frerks and Bannon, 2005, p123) Communities where women are empowered often have a higher social capital and can better manage conflict in non-violent ways. (Bouta, Frerks and Bannon, 2005). In this paper, I have tried my best to highlight the significance of the term women, its historical perspective, role of women in family, their achievements in various fields and overall assessment with the constitutional provisions especially in India through women became self-reliant by themselves with different policies and projects taken by government of India as well as the governments at the various state level.

KEYWORDS: Women, Empowerment, Justice, Equality, Employment, Development etc.

INTRODUCTION:

“Ya devi sarva Bhuteshu Matri Rupena Sansthita ,NamahStasye NamahStasye NamahStasye Namoh Namah”. It signifies, Mother (Maa) is the source of each and every power and her place is at the top. The development in every corner of the world is possible because of the women & for this it's very much essential and challenge before us to try for their development. Every society is marked by interplay of forces that make for socio-cultural stability and those that make for change. Whenever changes in the social customs, traditions, values and beliefs become indispensable social change takes place. Social change refers to the change in the life styles of the people in a society. It means the change of attitude, belief, culture, habits and practices. According to **Ginsberg**, “Social Change means a change of attitudes and beliefs, in so far as they sustain institutions and change with them”.

HISTORICAL PERSPECTIVE:

Starting from Gargi, Maitrei, Rani Laxmi Bai, upto Sarojini Naidu, Indira Gandhi, Kalpana Chawla, Sunita Williams, Sania Mirza, Pratiba Devisingh Patil upto Manushi Chhilar, it's really treated as great achievement that the Indian females have highlighted themselves in every sphere. Irrespective of all these instances still we are crying for the issue like ***Women Need Empowerment.***

| FAMILY | |
|--|---|
| Father(MALE) | Mother(FEMALE) |
| Helps for Future Generation | Helps to give complete shape to an embryo in her womb |
| Ability of Income | The first teacher of a child |
| Treated as the Guardian of the family in our patriarchal society | Helps for the peaceful life of family members by preparing food & providing other amenities |
| | Most times they help to maintain their family through their income |
| | They are participating from doing various Govt. jobs upto active participation in politics |
| | Always behave like a 'PRADIP'(candle) |

(Table indicating the role and importance of women in a family)

Women are treated as Secondary Part of the Society:

For a long time, women in general have been forced to occupy a secondary place in the world as compared to men. In the pre-agricultural period, women were known as hard worker and even participate in warfare. However strong the woman, the bondage of reproduction, pregnancy,

child birth reduced their capacity to work hard and made her gradually dependant on men for protection and food.

Various Steps taken for the upliftment of Women in the society particularly in India:

A lot of steps have been taken for the upliftment of women in our country, starting from the constitution of India up to the projects and policies undertaken by the government of India as well as the state. Some of these provisions are discussed below:

A. Preamble:

The Preamble contains the essence of the Constitution and reflects the ideals and aims of the people. The Preamble starts by saying that we, the people of India, give to ourselves the Constitution. The source of the Constitution is thus traced to *the people, i.e. men and women of India, irrespective of caste, community, religion or sex.* The Makers of the Constitution were not satisfied with mere territorial unity and integrity. If the unity is to be lasting, it should be based on social, economic and political justice. Such justice should be equal for all. The Preamble contains the goal of **equality** of status and opportunity to all citizens. This particular goal has been incorporated to give **equal rights to women and men** in terms of status as well as opportunity.

B. Fundamental Rights:

Part III of the Constitution consisting of Articles 12-35 is the heart of the Constitution. **Human Rights** which are the entitlement of every man, **woman** and child because they are human beings have been made enforceable as constitutional or fundamental rights in India. The framers of the Constitution were conscious of the unequal treatment and discrimination meted out to the fairer sex from time immemorial and therefore included certain general as well as specific provisions for the upliftment of the status of women.

Article: 14 Equality before Law

The State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India.

Article: 15 Prohibition of discrimination on grounds of religion, race, cast, sex, or place of birth

(1) The state shall not discrimination against any citizen on grounds only of religion, race, cast, sex, or place of birth or any of them.

Article: 16 Equality of opportunity in matters of public employment

(1) There shall be equality of opportunity for all citizens in matters relating to employment or appointment to any office under the state.

(2) No citizens shall, on grounds only of religion, race, cast, sex, descent, place of birth, residence or any of them, be ineligible for, or discriminated against in respect of, any employment or office under the state.

Gender equality becomes elusive in the absence of right to live with dignity.**Article 21 Protection of life and personal liberty.**

“No person shall be deprived of his life or personal liberty except according to procedure established by law. In *Vishaka v. State of Rajasthan* (AIR 1997 SC 3011)4.9, the Supreme Court, in the absence of legislation in the field of sexual harassment of working women at their place of work, formulated guidelines for their protection. **The Court said:** *"Gender equality includes protection from sexual harassment and right to work with dignity which is a universally recognized basic human right. The common minimum requirement of this right has received global acceptance. In the absence of domestic law occupying the field, to formulate effective measures to check the evil of sexual harassment of working women at all workplaces, the contents of international conventions and norms are significant for the purpose of interpretation of the guarantee of gender equality, right to work with human dignity in articles 14, 15, 19(1)(g) and 21 of the Constitution and the safeguards against sexual harassment implicit therein and for the formulation of guidelines to achieve this purpose."*

Article 23 prohibits trafficking in human beings and forced labour; Article 23 of the Constitution specifically prohibits traffic in human beings. Trafficking in human beings has been prevalent in India for a long time in the form of prostitution and selling and purchasing of human beings.

Directive Principles of State Policy:

However Directive Principles of State Policy are not enforceable in any court of law they are essential in the governance of the country and provide for the welfare of the people, including women. These provisions are contained in Part IV of the Constitution.

Article: 39 certain principles of policy to be followed by the state.

The State shall, in particular, direct its policy towards securing -

(a) **That the citizen, men and women equally, have the right to an adequate means of livelihood;**

(d) **That there is equal pay for equal work for both men and women;**

(e) **that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength;**

Article: 42 Provision for just and humane conditions of work and maternity relief—

The State shall make provision for securing just and humane conditions of work and for maternity relief and it is considered as a very important provision for the benefit of women.

Article 44 Uniform civil code for the citizens.—

Article 44 directs the State to secure for citizens a Uniform Civil Code applicable throughout the territory of India. Its particular goal is towards the achievement of gender justice. Even though the State has not yet made any efforts to introduce a Uniform Civil Code in India, the judiciary

has recognized the necessity of uniformity in the application of civil laws relating to marriage, succession, adoption, divorce, maintenance, etc. but as it is only a directive it cannot be enforced in a court of law.

C. Fundamental Duties:

Article 51-A (e) is related to women. It states that;

“It shall be the duty of every citizen of India to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religion, linguistic, regional or sectional diversities; to renounce practices derogatory to the dignity of women”

D. 73rd Amendment - w.e.f. 1-6-1993:

Article: 243 D Reservation of seats.

(1) In Panchayats Seats shall be reserved for—

(a) The Scheduled Castes; and (b) the Scheduled Tribes,

(2) Not less than one-third of the total number of seats reserved under clause(1) **shall be reserved for women belonging to the Scheduled Castes & Scheduled Tribes.**

E. 74th Amendment - w.e.f. 1-6-1993:

243T. Reservation of seats.—

(1) **Seats shall be reserved for the Scheduled Castes and the Scheduled Tribes in every Municipality**

(2) Not less than one-third of the total number of seats reserved under clause (1) shall be **reserved for women belonging to the Scheduled Castes or, as the case may be, the Scheduled Tribes.**

F. Right to Vote:

Article 325 & 326 guarantees the women of political equality, equal right to participate in political activity and right to vote like the male persons.

G. Major Steps taken by Present Govt.(Govt. at Centre as well as the State):

A lot of steps and projects have been taken by both the Central and State governments in our country and some important projects are:

G.1 Beti Bachao Beti Padhao:

On 22nd January, 2015 Prime Minister Narendra Modi launched Beti Bachao, Beti Padhao Yajana(Save the Girl Child by Educating them) at Panipath, Haryana. According to him, We do not have the Right to kill the Girls' Child; our mantra should be 'Beta Beti Ek – Saman'. Smt. Manoka Gandhi, Union Women & Child Dev. Minister said, “The Birth of the Girl Child must be celebrated”. Noted film actress and social activist Smt. Madhuri Dixit said, “We have reached at the Moon as well as Mars, but it is very sad to say that some still view their daughters as burden”. It's a nationwide programme to eradicate the sex ratio differences and to save the girl child and fighting against female foeticide.

G.2 Sukanya Samridhi Yojana:

Opening of Bank accounts in the name of girl child any time before she attains the age of 10. Minimum deposit required Rs.1,000/- and amount in multiple of Rs. 100s can be deposited subsequently, upto a maximum Rs. 1.5 lakhs in a year. Govt. will provide interest @ 9.1 % for the savings bank account & no income tax will be charged. Account will remain operative till girls reached at the age of 21 years.

G.3 66th Republic Day Observation:

Prime Minister Narendra Modi has dedicated the 66th Republic Day Parade to women empowerment. India witnessed the participation of a large number of women in the 66th Republic Day on 26th January, 2015. The women cadets from the three wings of the Armed Forces, Navy and Air Force lead the Guard of Honour to President and Prime Minister .

G.4 Kanyashree: A positive step towards women empowerment:

Lack of Education, Poverty, Masculine pressures compel the under-aged girls to get married before adulthood. To save the Girl Child from major problems the Govt. of West Bengal under the leadership of present Chief minister Hon'ble Mamata Banerjee a landmark project has been taken named as Kanyashree.

Major features of Kanyashree:

Annual Scholarship of Rs.500/- for unmarried girls' students aged 13-18years enrolled in classes VII-XII in the Govt. Recognized regular or open school / college or pursuing vocational / technical training institutions. One time grant of Rs. 25,000/- will be given to those Girls who have completed 18years of age on or after 1st April,2013, and belong to the family having less than Rs.1,20,000/- of annual income. This project of our state govt. has been considered as effective scheme for attaining women's potentiality not only by central govt. but also by International agencies.

CONCLUDING OBSERVATION:

Inspite of all these majors took by the law of the land in one hand the central and state governments. On the other, there still question mark everywhere i.e. still we are discussing and taking steps for women empowerment. Still we are finding the way out to release the women society at their fullest opportunity, to give them the RAKSHA KABACH in their own to lead a life without fear or hesitation.

Is there any way?

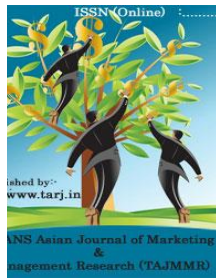
My observations are as follows:

- ▶ Awareness regarding the existence and importance of women is required among the men.
- ▶ Motivation with the mantra of Equality among the Men and Women should develop.
- ▶ Violent way of thinking not only in the society but also the minds of the people should be demolished.
- ▶ Realizations of the truth, regarding women are the creation of God.

Lastly, we should follow the Mantra of Vivekananda: “No Nation can be Great if half of its population is degraded and discriminated against. Women constitute half of Indian’s teeming billion. Political participation is a vital link towards total empowerment of women. With that empowerment see as many of my brothers seem to fear , is not a threat to men but a partner of progress- the efficient participation- the true Bhagidar”. Also we have to follow the sayings of **Najrul that**, “Biswe Ja Kichhu Mahan Sristi Chira Kalyan kar , Ardhek tar Srijiyachhe Nari, Ardhek tar nar”(means all the creations in the world are made by both men and women proportionately).

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CONSUMERS PERCEPTION TOWARDS WHITE DURABLE GOODS: A REVIEW MODEL & CONCEPTUAL FRAMEWORK

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**Research Guide

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ABSTRACT

Consumer's durable goods have emerged as one of the fastest growing industry all over the world. To retain the customers, marketers use various technique and technology in producing products. This study focuses on the review model towards white durable goods. Factors such as price perception, quality perception, branding perception, service quality, advertisement influence and customer satisfaction were focused. The perception levels of the consumers are varying because of technological advancement, change in income pattern, introduction of overseas brands etc. In this condition the review models help the academicians and marketing practitioners to understand the consumers view. It plays an important role in generating consumers' commitment with the brand, helps to create, develop and maintain strong bond towards brands (Fournier, 1998; Kapferer, 2010; Lin, 2010). Brand personality awareness in consumer's mind can be misrepresented by any direct or indirect knowledge that consumers have with the brand (Aaker, 2010).

KEYWORDS: Price Perception, Quality Perception, Branding Perception, Service Quality,

INTRODUCTION:

Perception generally refers to the senses that any organism uses to collect information about its environment. Wade & Tavris (1987) note that the senses corresponding to the human sense organs have been categorized as: vision, hearing, taste, touch and smell. The consumer perception is the way of interacting and integrating the consumer before buying the product and services. The consumer perception and behavior are changing and therefore it should be continuously monitored and measured. Consumers play three distinct roles as user, payer and buyer. Before purchasing a product the consumer will perceive about its features, quality, price, brand and influence of advertisement towards it. Nowadays, firms are putting best efforts in marketing to get the customer's attention and positive impression (Dickenson 1994).

In recent days White Durable Goods became the most indispensable tools. Generally goods are divided into three parts, white goods, brown goods and consumer electronics, the white goods includes Washing machine, Refrigerator and Air Conditioner. Once perceived as luxury items have become indispensable tool in everyone's life (Ojha 2013). Due to disposable income, double income, improvement in technology, rise in temperature, change in life style and growth in consumer standard the consumer durable industry is growing faster (Jayakumar, 2010). The white goods industry is represented by major international players like O General, Voltas, Blue Star, Whirlpool, etc., Due to increase in competition, easy availability of finance and promotional activities the consumer start to perceive which is best based on the quality, quantity, price, brand, benefit etc.,

CONCEPTUAL BACKGROUND:

The white durable goods are the larger portion of electronic items used in home like Air Conditioner, Refrigerator and Washing machine. With the increase in nuclear family and two working adults, the need and want for white goods are increasing. As the requirement increases towards these products a number of brands are introduced in the market. The purchases of household products need high involvement and high influence (Tanner & Raymond, 2010). The consumers purchasing decision may be influenced by friends, relatives, colleagues etc., Consumer also started perceiving towards price, quality, brand, advertisement influence, service quality and finally they are satisfied towards their purchase. The review models for perceptions are given below.

PRICE PERCEPTION:

Jane, W. Licata et.al. (1998) examined the age of the consumer had a significant interaction with discount level regarding the product and services. **Price perception** may of sensitivity in nature i.e. **prestige sensitivity**; it is described as favorable perceptions of the price which is based on feelings of reputation and status (Lichtenstein et al., 1993:236). Consumers with high prestige sensitivity may buy expensive goods not because of quality perceptions, but because of the perception that others may perceive them as socially positive because of the high price (Bao and Mandrick, 2004:708). Some consumer act as the price informer (**Price Mavenism**) for many products and place to shop for the lowest price, they also respond to the market place price information (Lichtenstein et al., 1933:235). Monroe and Lee (1999) stress that consumers' price

perceptions are always considered in relation to some sort of reference price which may be an average of some range of prices or brands.

QUALITY PERCEPTION:

The concept of perceived product quality (Quality Perception) is increased much on the minds of academicians and marketing practitioners. The product quality not only affects the purchase intention of the consumer but also affects the market share, brand profitability, brand power and brand equity (Aaker, 1996; Aaker & Jacobson, 1994; Garvin, 1984; Jacobson & Aaker, 1987; Stobart, 1994). The knowledge on consumer perception towards quality is useful for the effective management of people in 'quality organization environment' (Forker, 1991). According to Aaker and Joachimsthaler 2000, perceived quality is a special type of association, it influences partly brand associations and partly affect profitability. As (Zeithaml 1988) said that perceived quality is the consumer's judgment towards product's overall quality or superiority. (Zeithaml 1988) emphasized that perceived quality is (1) different from objective or actual quality, (2) a higher level abstraction of a product, (3) a global assessment which resembles attitude and (4) a judgment usually made within a consumer's mind set. (Aaker 1991), stated that the perceived quality is different from actual or objective quality, product-based quality, and manufacturing quality. Perceived quality may lead to consumer satisfaction, which is determined by perceived performance and expectation (Chaudhuri, 2002).

BRANDING PERCEPTION:

Brand image is the key driver of brand equity, it is the consumer's general perception and feeling about a brand and it has influence on consumer behavior. (Yi Zhang, 2015), the main purpose of marketing activities is to influence consumers' perception and attitude toward a brand. According to (Park et al. 1986), the construction and maintenance of the brand image is requirement to the brand management. (Park, Harada, and Igarashi 2006) reported that the users' perceptions of a products brand affected the user's perceptions of mental demand. In the cognitive area, brand image has been shown to stimulate certain areas of the human brain (Born, Meindl, Poeppel, Schoenberg, & Reiser, 2006; Plassmann et al., 2006). The concept of brand with intangible features, also recognize the importance of an individual or customer's brand perception (Bernard J. Jansen and Mimi Zhang, 2009).

Brand personality is described as human characteristics that consumers associate with the brand (Aaker, 1997). It plays an important role in generating consumers' commitment with the brand, helps to create, develop and maintain strong bond towards brands (Fournier, 1998; Kapferer, 2010; Lin, 2010). Brand personality awareness in consumer's mind can be misrepresented by any direct or indirect knowledge that consumers have with the brand (Aaker, 2010). Company's employees, CEO and users of brand influence perception of brand personality directly (Pringle & Binet, 2005).

SERVICE QUALITY:

Perceived service quality is a result of the judgment of perceptions about service delivery, process and actual result of service (Grönroos, 1984; Lovelock and Wirtz, 2011). Sweeney et al. (1997) analyzed that service quality perceptions affects consumers more than product quality.

Service quality has been becoming more important and the service providers should improve their service quality to gain customer loyalty, customer satisfaction and sustainable competitive advantage. The researches in the literature showed that customers who are unhappy with a service, spread their experiences to more than three people (Horovitz, 1990). Sasser et al. (1978) defined the factors that raise the level of service quality such as security, consistency, attitude, completeness, condition, availability and training of service providers. Besides this, physical quality, interactive quality, and corporate quality also affected the service quality level (Lehtinen and Lehtinen, 1982). (Grönroos 1984) developed the first service quality model on Technical quality, functional quality, and corporate image.

(Parasuraman et al., 1985; Lovelock and Wirtz, 2011) GAP model provides an important framework for defining and measuring service quality (Saat, 1999). The GAP relations are Customer expectation-management perceptions gap (The Knowledge Gap); Management perception-service quality specifications gap (The Policy Gap); Service quality specifications-service delivery gap (The Delivery Gap); Service delivery-external communications gap (The Communications Gap); Expected service-perceived service gap (The Service Quality Gap); Service Delivery and Perceived Service (The Perceptions Gap). (Benjamin Schneider and David Bowen) stress that service organizations must meet three key customers needs to deliver service excellences which are security, esteem, and justice.

ADVERTISEMENT INFLUENCE ON PRODUCT PERCEPTION:

Consumers' perception of the information and credibility of advertising predicts their overall confidence in advertised product (Terry Daugherty, 2008). Advertisement is directly linked with the sales of the products (Abiodun, 2011). Culture builds the strong perceptions of the products in the mind of the customers (hye-Shin Kim, 2008). According to Rai, 2013, there are several national and international brands which people recognized and have strong perception in their minds. Advertisement use the best way for attracting the customers, it is the process of understanding the psychological cognitive aspects of the consumers (Sandra Jakštienė, 2008). Advertisement also builds the positive or negative perception about the brand, perception leads towards the buying decision of the consumer (Samar Fatima, 2015).

CUSTOMER SATISFACTION:

Organizations that consistently please their customers, to develop tools for monitoring customer satisfaction and to build continuous towards quality improvement systems (Centre for study of social policy, 2007). A customer may be happy with a product or service, an experience, a salesperson, a purchase decision, service provider, store or features or any of these (Rodrigo A. Padilla, 1996). Customer satisfaction is a highly personal evaluation that is greatly influenced by individual hope, some experts give an opinion to “concentrate on a goal that’s more closely connected to customer equity” (Wreden). If we treat our employees correctly, they’ll treat the customer’s right and if the customers are treated right, they’ll come back (Dennis O. Kaldenberg and Beth Regrut, 1999). Only few customers formally complain to a company about an unsatisfactory towards product, service or experience. Instead, the average dissatisfied customer voices displeasure to more people (Malone and Gwozdz).

CONCLUSION:

The literature reviewed in the article provides much evidence towards consumer's perception. Individual's perception changing according to their spending pattern (i.e. economic background) and change in technological advancement.

Price Perception – It is the feeling of reputation and status. Price is always associated with reference price.

Quality Perception – Perceived quality affect brand and profit.

Brand Perception – Brand has an influence on consumers behavior, it also play a role in consumers commitment. It can be changed by consumers own experience.

Service Quality – It is actual outcome of overall service. Knowledge, policy, delivery, communication, service and perception gap are important for measuring service quality.

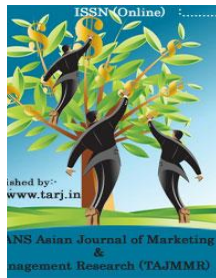
To conclude, while many researches has emerged towards consumer's perception process, there remain many unanswered questions and interesting opportunity for future researchers.

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INDIAN PHARMA SECTOR: SURVIVING THE SLOWDOWN & REGAINING THE M&A MOMENTUM

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ABSTRACT

The Indian pharma sector is today a force to reckon with, on the global pharma map. Pharmaceutical exports from India stood at USD 16.84 billion in 2016-17, and is expected to cross USD 20 billion by the year 2020 although the industry as a whole is expected to touch USD 55 billion by 2020. The sector enjoys a conspicuous presence in the US pharma market, the largest pharma market in the world. The sector began its global foray by producing cheaper versions of patented drugs. The local law permitted it, subject to a few riders. The pharma players followed it up with production of ingredients for multinational drug manufacturers. The US became the largest market for some of India's largest generic drug manufacturers and there was no looking back until 2017. Revenues and margins took a hit. Inspections by US customers and warnings and import alerts from the US pharma regulators slowed down the Indian pharma sector's growth. Investors tightened their purse strings. Hence the researcher set out to ascertain the reasons behind the slowdown in the sector's growth. The findings reveal that among other things, consolidation has improved the bargaining power of the US pharmacy chains, thereby contracting the margins of the Indian exporters. The researcher concludes that

the Indian players should graduate to exports of superior products since exports of plain vanilla generics alone cannot be of much help. They should develop complex generics, specialty products, biosimilars and other innovative products. A beginning in this direction has been already made by some leading players. But investments being huge, Indian pharma players should stay the course by forging strategic partnerships. This is where mergers and acquisitions can help the Indian pharma players. Their inorganic growth strategy should be drawn up against this backdrop.

KEYWORDS: *foray; ingredients; inspection alerts; patent; purse strings*

INTRODUCTION

1.1 THEORETICAL BACKGROUND OF THE PROBLEM

The Indian pharma sector has emerged as a leading economic segment on the export front. On the domestic front too, the sector plays a vital role, contributing its mite to the health needs of the people of India in addition to its contribution to the country's GDP. Some of the Indian pharma players have become a household name in the Americas and Europe. Some have set up facilities abroad. Some have gone in for inorganic growth in US and Europe. At the same time, some of the Indian players have been acquired or taken over by foreign pharma players either fully or partly, triggering a debate across a section of the stakeholders. One school of thought holds that the Indian pharma industry is being monopolised by foreign players or investors while another section holds that a shake-out is inevitable in each industry although one is not sure at which point of time such a shake-out will occur. What is important is that if the price offered to the domestic target company is quite attractive, it makes no business or financial sense to object to such deals. Further, nationalism should not come in the way of such commercial deals being consummated.

1.1 STATEMENT OF THE PROBLEM

In the circumstances, it is advisable to begin by identifying the factors that in the first place prompted the Indian pharma players to go for mergers and acquisitions. This will help in deciding whether the said factors are still relevant to the industry's goal of speeding up inorganic growth. Possibly some of the current factors have lost relevance and some new factors have gained relevance in the changed scenario. This is the problem that the study seeks to address by analysing the primary data.

1.3 REVIEW OF LITERATURE

1. A rise in mergers and acquisition (M&A) deals has been witnessed lately owing to rising health care costs, mounting research and development budgets, liberalization, and globalization, assert the researchers (Tripathy & Prajapati, 2014). The Indian drugs and pharmaceutical sector has been influenced by these M&A waves. This corporate restructuring exercise helps the Indian pharmaceutical industry to raise its global competitiveness, move up the value chain, create and enter new markets, improve its product offerings, and thus make up for the sustained sluggishness in the domestic market. In fact, the pharma sector is

currently the most aggressive sector of the Indian economy to invest overseas. However, adverse financial effects, antitrust action hobbling the proposed merger, limited flexibility, the sophisticated nature of the structuring exercise, and time-consuming processes have to be overcome along the way. Still, the desire to scale up and thereby achieve economies of scale has motivated many companies to take to the M&A street. The future holds a lot of potential for the sector given that the trend is likely to continue with many emerging market economies like India well set to exploit the opportunity.

2. The researchers examine the trends obtaining in exports, imports, R&D performance and patenting activities concerning the Indian drug and pharmaceutical industry for the period 2000-2012 (Tyagi, Varun, & Nauriyal, 2014). Most of the analysis, drawing from different databases, is of descriptive nature. It further estimates the functional relationship obtaining between exports as a dependent variable and patents granted and R&D expenditure as independent variables. The researchers infer that lagging R&D expenditure and lagging patents granted affected exports positively and significantly. They suggest promotion of public-private partnership in the R&D domain in the realm of basic and applied research. Such promotion could be commercially harnessed by the interested private sector partners.
3. Cross-border mergers and acquisitions (M&A) have provided an opportunity to emerging market multinationals to add value even as they internationalize (Srivastava & Prakash, 2014). Indian pharmaceutical firms are also adopting this strategy. The researchers look for evidence of value creation in the international M&A activity of the Indian players. The researchers scrutinized 30 cross-border M&A deals for the purpose. They ascertained value addition through accounting (PAT as a percentage of net worth, PAT as a percentage of capital employed, research and development, expenses as a percentage of operating expenses) and shareholder return (cumulative abnormal returns) measures of the acquirer firm, ex-ante and ex-post M&A. The difference in the mean values of the variables after the M&A event was computed by deploying the Student's t-test. The time horizon selected for accounting variables was five years and the abnormal stock market returns were computed using the domestic market model, with the event window being 40 days. The researchers found no statistically significant difference in the mean values of all the measures except R&D expenses (as a percentage of operating expenses) for the acquirer Indian firms before and after the M&A event. The mean values of abnormal returns were lower than those before the M&A activity. The researchers infer that there is no significant ex-ante value creation in terms of the selected profit measures. But the results suggest the probability of the strategy being adopted as a solution to problems like transfer of tacit knowledge in case of technology-led competitive advantages in the pharmaceutical industry and the rise of R&D activity.
4. Indian pharmaceutical companies have been on the lookout for merger and acquisition opportunities abroad (Panda & Sriram, 2013). The researcher attempts to identify the competitive advantages attained through such merger and acquisitions in terms of cost and differentiation advantages. In more measurable terms the researcher examines the profitability and capability aspects of the mergers and acquisitions undertaken by Indian pharmaceutical firms. The researcher concludes that M&A in the pharmaceutical sector provides competitive advantages to firms. Both in terms of earning more resources or acquiring more capabilities,

mergers and acquisitions have helped Indian pharmaceutical companies to grow and prosper. The study considered over eight years of data concerning the companies' existence, financials and patent filings every year. Thus the researcher infers that the speed of innovation and profit margins can be suitably raised over time through mergers and acquisitions.

1.4 RESEARCH GAP

The reviewed literature has thrown light on the strategies the Indian pharma players adopted to expand globally. The researchers have also said that the speed of innovation and profit margins can be suitably raised over time through mergers and acquisitions. Though this statement is relevant today, it has to be viewed in the backdrop of the changed circumstances in which the pharma market finds itself in US, Europe and Japan, in particular. This aspect has not been covered by the reviewed literature, thus giving rise to a gap. It is this gap the present study seeks to bridge.

1.5 SCOPE OF THE STUDY

The study confines itself to the major stake-holders, namely, practising finance professionals, practising company secretaries / corporate lawyers and pharma consultants.

1.6 OBJECTIVES OF THE STUDY

The objectives of the study are to:

1. Identify the factors that drove mergers and acquisitions in the country's pharma space
2. Identify the reasons behind the slowdown in the pharma sector's inorganic growth

1.7 HYPOTHESIS PROPOSED TO BE TESTED

The study proposes to test the following hypothesis:

“Consolidation has improved the bargaining power of US pharmacy chains “

1.8 RESEARCH DESIGN

The following paragraphs explain how the research is designed.

1.8.1 Research methodology

The study is descriptive in nature and uses the ‘fact-finding’ survey method. Interview schedules specially designed for the purpose were administered to the respondents for collection of primary data. Being a structured / directive interview, the interview was conducted with a detailed standardised schedule.

1.8.2 Sources of data

Data required for the research has been collected from both primary and secondary sources. Primary data has been collected from practising finance professionals, practising company secretaries / corporate lawyers and pharma consultants.

Secondary data has been collected from the financial press, IPA, FICCI, CII and the department of pharmaceuticals of the government of India in soft version as well as hard version.

1.8.3 Sampling plan

Practising finance professionals: Given the limited number of practising finance professionals in the area covered by the study, purposive or judgement sampling under the non-probability method has been deployed. The researcher selected 30 practising finance

Professionals with exposure to the pharma industry and operating in the area covered by the study at least for the past five years. This criterion, according to the researcher, is the most appropriate one for the present study. What is important is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus, it guarantees inclusion of the relevant elements in the sample. Probability sampling plans cannot give such a guarantee.

Company secretaries / corporate lawyers: Given the limited number of company secretaries / corporate lawyers in the area covered by the study, purposive or judgement sampling under the non-probability method has been deployed. The researcher selected 30 company secretaries / corporate lawyers with exposure to pharma industry and operating in the area covered by the study at least for the past ten years. This criterion, according to the researcher, is the most appropriate one for the present study. What is important is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus it guarantees inclusion of the relevant elements in the sample. Probability sampling plans cannot give such a guarantee.

Pharma consultants: Given the limited number of pharma consultants in the area covered by the study, purposive or judgement sampling under the non-probability method has been deployed. The researcher selected 30 pharma consultants with exposure to pharma industry and operating in the area covered by the study at least for the past ten years. This criterion, according to the researcher, is the most appropriate one for the present study. What is important is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus it guarantees inclusion of the relevant elements in the sample. Probability sampling plans cannot give such a guarantee.

1.8.4 Data collection instruments

Interview schedules, specially designed for the purpose, were drafted and pre-tested to identify the possible weaknesses in the instrument. Upon receipt of feedback, they were appropriately revised and finalised for administration to the respondents for collection of primary data.

The Interview Schedules featured open questions and closed questions. Open questions were included since the objective was to identify opinions, ascertain degrees of knowledge and seek suggestions and more information. In some cases, the subject matter of the question could be outside the range of the respondent's experience and hence open questions were deemed a better alternative. Further, open questions would help in determining the depth of the feelings and intensity of the expressions of the respondent (Krishnaswamy & Ranganatham, 2005). Open questions might give the respondent a chance to think through the topic. Since it is practically impossible for the researcher to assess the level of information possessed by the respondent, open questions came in handy. The response freedom inherent in open questions could elicit a

variety of frames of references from the respondent, which might provide unanticipated insights. Given the qualitative nature of the values the variables would elicit from the respondents, they could lend themselves ideally to statistical tools like Likert scale and chi-squared test.

1.8.5 Data processing and analysis plan

Non-parametric statistical units were used to test the association between some qualitative characters and conclusions were drawn based on formation of H_0 and H_1 . To be specific, Likert scale / chi-square test were applied to test the hypotheses.

1.8.6 Limitations of the study

Primary data has at times been deduced through constant topic-oriented discussions with the respondents. It is possible that a certain degree of subjectivity, albeit negligible, has found its way in. In addition, one must admit that the respondents, being human, could err. Hence, the researcher would like to admit that the findings of the thesis, which draw equally heavily from the discussions the researcher held with the said respondents, may have been affected, albeit to a negligible extent. In the circumstances, it will not affect the accuracy of the findings of the study.

1.9 ANALYSIS OF PRIMARY DATA COLLECTED FROM THE PRACTISING FINANCE PROFESSIONALS

In the following paragraphs, the primary data collected from the 30 practising finance professionals is analysed.

1.9.1 Factors that drove mergers and acquisitions in the country's pharma space

The spurt in M&A activity in the Indian pharma space in the recent past is well known. Although the heyday of Indian pharma has well and truly passed, this phase of evolution in the Indian pharma space is worth recalling. Hence the researcher requested the respondents to reveal the factors that drove mergers and acquisitions in the country's pharma space. Their replies to the query appear in the following Table.

Table-1

Factors that drove mergers and acquisitions in the country's pharma space

| Factors | Number of respondents |
|--|-----------------------|
| Ability to access approved facilities outside India | 26 |
| Pressure from insurers in the western market to reduce drug prices | 26 |
| Ability to gain entry to the huge western market | 25 |
| The desire to enlarge the product basket inorganically | 24 |

26 respondents cite the ability to access approved facilities outside India as a factor. 26 cite the pressure from insurers in the western market to reduce drug prices as a factor. 25 cite the ability

to gain entry to the huge western market as a factor. 24 cite the desire to enlarge the product basket inorganically as a factor.

1.9.2 Reasons behind the slowdown in the pharma sector's inorganic growth

The Indian pharma sector's inorganic growth has slowed down. Hence the researcher sought to know from the respondents the reasons behind the growth slowdown. Their replies to the query appear in the following Table.

Table-2
Reasons behind the slowdown in the pharma sector's inorganic growth

| Reasons | Number of respondents |
|---|-----------------------|
| Margins of generic oral solid drugs have taken a hit | 26 |
| Value of patented drugs expiring during 2016-20 is coming down | 26 |
| Consolidation has improved the bargaining power of US pharmacy chains | 25 |
| Prices have fallen with rising competition | 24 |

Margins of generic oral solid drugs have taken hit reason 26 respondents. Value of patented drugs expiring during 2016-20 is coming down reason 26 respondents. Consolidation has improved the bargaining power of US pharmacy chains, reason 25 respondents. Prices have fallen with rising competition, reason 24 respondents.

1.10 ANALYSIS OF PRIMARY DATA COLLECTED PRACTISING COMPANY SECRETARIES / CORPORATE LAWYERS

In the following paragraphs, the primary data collected from the 30 company secretaries / corporate lawyers is analysed.

1.10.1 Factors that drove mergers and acquisitions in the country's pharma space

The spurt in M&A activity in the Indian pharma space in the recent past is well known. Although the heyday of Indian pharma has well and truly passed, this phase of evolution in the Indian pharma space is worth recalling. Hence the researcher requested the respondents to reveal the factors that drove mergers and acquisitions in the country's pharma space. Their replies to the query appear in the following Table.

Table-3
Factors that drove mergers and acquisitions in the country's pharma space

| Factors | Number of respondents |
|---|-----------------------|
| Ability to access approved facilities outside India | 27 |
| Pressure from national governments to reduce the price of pharmaceuticals | 26 |

| | |
|--|----|
| Ability to gain entry to the huge western market | 25 |
| Pressure from insurers in the western market to reduce drug prices | 24 |

27 respondents cite the ability to access approved facilities outside India as a factor. 26 cite pressure from national governments to reduce the price of pharmaceuticals. 25 cite the ability to gain entry to the huge western market as a factor. 24 cite the pressure from insurers in the western market to reduce drug prices as a factor.

1.10.2 Reasons behind the slowdown in the pharma sector's inorganic growth

The Indian pharma sector's inorganic growth has slowed down. Hence the researcher sought to know from the respondents the reasons behind the growth slowdown. Their replies to the query appear in the following Table.

Table-4
Reasons behind the slowdown in the pharma sector's inorganic growth

| Reasons | Number of respondents |
|---|-----------------------|
| Quality issues have cropped up | 27 |
| FDA inspections, warnings and import alerts have put further investments on hold | 26 |
| Consolidation has improved the bargaining power of US pharmacy chains | 25 |
| Annual price erosion in generic drugs in US will escalate with product approvals rising | 24 |

Quality issues have cropped up, reason 27 respondents. FDA inspections, warnings and import alerts have put further investments on hold reason 26 respondents. Consolidation has improved the bargaining power of US pharmacy chains, reason 25 respondents. Annual price erosion in generic drugs in US will escalate with product approvals rising, reason 24 respondents.

1.11 ANALYSIS OF PRIMARY DATA COLLECTED FROM PHARMA CONSULTANTS

In the following paragraphs, the primary data collected from the 30 pharma consultants is analysed.

1.11.1 Factors that drove mergers and acquisitions in the country's pharma space

The spurt in M&A activity in the Indian pharma space in the recent past is well known. Although the heyday of Indian pharma has well and truly passed, this phase of evolution in the Indian pharma space is worth recalling. Hence the researcher requested the respondents to reveal the

factors that drove mergers and acquisitions in the country's pharma space. Their replies to the query appear in the following Table.

Table-5
Factors that drove mergers and acquisitions in the country's pharma space

| Factors | Number of respondents |
|---|------------------------------|
| Ability to access approved facilities outside India | 27 |
| Pressure from insurers in the western market to reduce drug prices | 27 |
| Superior expertise of pharma players in manufacture of generic drugs | 26 |
| Consolidation of the position of the pharma players in the international market | 24 |

27 respondents cite the ability to access approved facilities outside India as a factor. 27 cite pressure from insurers in the western market to reduce the price of pharmaceuticals as a factor. 26 cite superior expertise of pharma players in manufacture of generic drugs as a factor. 24 cite consolidation of the position of the pharma players in the international market as a factor.

1.11.2 Reasons behind the slowdown in the pharma sector's inorganic growth

The Indian pharma sector's inorganic growth has slowed down. Hence the researcher sought to know from the respondents the reasons behind the growth slowdown. Their replies to the query appear in the following Table.

Table-6
Reasons behind the slowdown in the pharma sector's inorganic growth

| Reasons | Number of respondents |
|--|------------------------------|
| Quality issues have cropped up | 27 |
| FDA inspections, warnings and import alerts have put further investments on hold | 26 |
| Consolidation has improved the bargaining power of US pharmacy chains | 26 |
| Consolidation has improved the bargaining power of pharmacy chains | 27 |
| Chinese firms are escalating their presence | 25 |

Quality issues have cropped up, reason 27 respondents. FDA inspections, warnings and import alerts have put further investments on hold reason 26 respondents. Consolidation has improved the bargaining power of US pharmacy chains, reason 26 respondents. Consolidation has

improved the bargaining power of pharmacy chains, reason 27 respondents. Chinese firms are escalating their presence, reason 25 respondents

1.12 SUMMARY OF FINDINGS

In the following paragraphs, a summarised version of the findings arrived at, by analysing the primary data furnished by respondents, is furnished:

1.12.1 Practising finance professionals

1. 26 respondents cite the ability to access approved facilities outside India as a factor. 26 cite the pressure from insurers in the western market to reduce drug prices as a factor. 25 cite the ability to gain entry to the huge western market as a factor. 24 cite the desire to enlarge the product basket inorganically as a factor.
2. Margins of generic oral solid drugs have taken hit reason 26 respondents. Value of patented drugs expiring during 2016-20 is coming down reason 26 respondents. Consolidation has improved the bargaining power of US pharmacy chains, reason 25 respondents. Prices have fallen with rising competition, reason 24 respondents.

1.12.2 Practising company secretaries / corporate lawyers

3. 27 respondents cite the ability to access approved facilities outside India as a factor. 26 cite pressure from national governments to reduce the price of pharmaceuticals. 25 cite the ability to gain entry to the huge western market as a factor. 24 cite the pressure from insurers in the western market to reduce drug prices as a factor.
4. Quality issues have cropped up, reason 27 respondents. FDA inspections, warnings and import alerts have put further investments on hold reason 26 respondents. Consolidation has improved the bargaining power of US pharmacy chains, reason 25 respondents. Annual price erosion in generic drugs in US will escalate with product approvals rising, reason 24 respondents.

1.12.3 Pharma consultants

1. 27 respondents cite the ability to access approved facilities outside India as a factor. 27 cite pressure from insurers in the western market to reduce the price of pharmaceuticals as a factor. 26 cite superior expertise of pharma players in manufacture of generic drugs as a factor. 24 cite consolidation of the position of the pharma players in the international market as a factor.
2. Quality issues have cropped up, reason 27 respondents. FDA inspections, warnings and import alerts have put further investments on hold reason 26 respondents. Consolidation has improved the bargaining power of US pharmacy chains, reason 26 respondents. Consolidation has improved the bargaining power of pharmacy chains, reason 27 respondents. Chinese firms are escalating their presence, reason 25 respondents

1.13 CONCLUSIONS

Conclusions are inferences / generalizations drawn from the findings and relate to hypotheses. They are answers to the research questions or the statements of acceptance or rejection of hypotheses. As explained already, this study proposes to test the following hypothesis:

“Consolidation has improved the bargaining power of US pharmacy chains.”

Hence H_0 and H_1 are as follows:

H_0 : Consolidation has not improved the bargaining power of US pharmacy chains

H_1 : Consolidation has improved the bargaining power of US pharmacy chains

Based on the primary data collected from the respondents, vide Tables: 1 and 3, a chi-square test was applied to ascertain the association, if any, between the variables. The following Table reveals the computation made using MS-Excel.

| Observed Values | | | |
|-------------------------|------------|-----------|--------------|
| <i>Category</i> | <i>Yes</i> | <i>No</i> | <i>Total</i> |
| PFP | 25 | 5 | 30 |
| CS/CL | 25 | 5 | 30 |
| Consultants | 26 | 4 | 30 |
| <i>Total</i> | <i>76</i> | <i>14</i> | <i>90</i> |
| Expected Values | | | |
| <i>Category</i> | <i>Yes</i> | <i>No</i> | <i>Total</i> |
| PFP | 25.33333 | 4.666667 | 30 |
| CS/CL | 25.33333 | 4.666667 | 30 |
| Consultants | 25.33333 | 4.666667 | 30 |
| <i>Total</i> | <i>76</i> | <i>14</i> | <i>90</i> |
| | <i>Yes</i> | <i>No</i> | |
| o-e | -0.3333 | 0.3333 | |
| | -0.3333 | 0.3333 | |
| | 0.6667 | -0.6667 | |
| (o-e) ² | 0.1111 | 0.1111 | |
| | 0.1111 | 0.1111 | |
| | 0.4444 | 0.4444 | |
| ((o-e) ²)/e | 0.0044 | 0.0238 | |
| | 0.0044 | 0.0238 | |
| | 0.0175 | 0.0952 | |
| CV | 0.0263 | 0.1429 | 0.1692 |
| TV | | | 5.991465 |
| P | | | 0.996618 |

The calculated value of χ^2 is 0.1692, lower than the table value of 5.991465 for an alpha of 0.05 at two degrees of freedom. Hence the null hypothesis is accepted and the research hypothesis is rejected. $P = 0.996618$ is the inverse of the one-tailed probability of the chi-squared distribution.

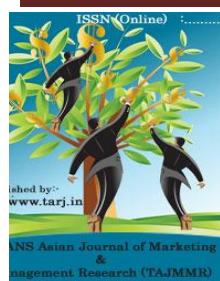
1.13 RECOMMENDATIONS

The following are the researcher's recommendations:

1. In the US market, pharmacy chains are under tremendous pressure from the insurers as well as the regulatory authorities to reduce prices. It is but natural that the pharmacy chains in turn pass on the pressure to their Indian exporters in respect of the pharma products they import from India.
2. In US, among other things, social security entitles the aged and disabled citizens to *Medicaid* or health insurance benefits. The outflow under this scheme being higher in volume as well as value terms, it is but natural that the US insurers drive a hard bargain with the pharma chains in US. After all, it is the insurer that settles the hospital bill on behalf of the Medicaid beneficiary. Indian players have no alternative in the circumstances but to be as competitive as possible in terms of price and quality. They cannot afford to be otherwise since they could lose their business. For the Indian pharma players, this is as much challenging as it is rewarding.
3. Margins on generics which the Indian pharma players have been exporting for long to US, have been coming down. This is because the US pharmacy chains can drive a harder bargain and quality issues have been haunting the Indian pharma exporters. Generics represent the proverbial low-hanging fruit for the Indian pharma exporters. Export of generics has been their forte too. Hence a dip in margins on export of generics will hurt them sharply. Indian exporters must redefine their business model in line with this new reality. To make matters worse, the value of patented drugs expiring during 2016-20 is on the low side.
4. The inspection of Indian exporting units conducted by the FDA of US led to issue of warning letters, observations and import alerts by the FDA to some exporters. This has made it even more difficult for Indian exporters to scale up in the generics space or to drive a hard bargain. This may scare away the investors too. This is something the Indian players had better avoid since product approvals are rising in US in the generics space and they will spell trouble for the Indian players.
5. In the circumstances, the only way out for the Indian exporters is to develop complex generics, specialty products, biosimilars and innovative products. This will help them clock a consistently healthy growth rate even as it helps reduce pricing pressures in the plain vanilla generics space
6. The researcher suggests that the Indian players innovate and become specialty players / biosimilar players at least in the medium term. Specialty drugs which are high-value items, should help since the US medical budget is gravitating towards the specialty space.

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GROWTH AND COMPETITIVENESS OF TELECOM SECTOR IN INDIA: AN OVERVIEW

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ABSTRACT

Indian telecom market is highly volatile due to launch of Reliance Jio from 2015. Both the existing and the current players in this sector are facing very stiff completion from one another like never before in Indian telecom history. The competition among various operators has benefited the customers and the handset manufacturers. On the other hand, the small and medium players in the industry are facing very tough time of survival in the market. The situation that is prevailing in this sector is of mergers, actuations and tie-ups to survive and attract customers. Some of the largest mergers and acquisition that happened in Indian telecom industry till 2017 are Vodafone-Hutchison Essar, Telenor buys Unitech Wireless, Reliance Industries – Infotel, Reliance Communications – Aircel and the proposed merger between Vodafone – Idea. The result of such competition has led to the reduction of tariff rates of voice and data packs are to an extent that it has come to reach of every common man. Another important aspect that came to light is the emergence of low cost smart phone that to 4G enabled which played as a catalyst to fuel the data war among various operators. And now the next big thing that is waiting is the introduction of 5G services. The study highlights the evolution of Indian telecom industry and business strategy of Reliance Jio in a competitive environment. The study based on Secondary data which have been collected through reports of TRAI(Telecom Regulatory Authority of India), Reliance Jio official website, and various research database like Proquest, Emerald and academia. The study concludes that the impending changes in technology and regulatory policy are expected to change the rules of the game for the players in cellular industry and might even change the telecom industry structure in India.

KEYWORDS: *Reliance Jio, competition, telecom sector, data war, common man,*

INTRODUCTION

India is in the mode of progression and steady economic growth over the past few years, and the same is expected to continue in foreseeable future. It is evident that the telecom industry too has been on a rising trajectory in 2016 on the back of improved regulatory policies and the successful rollout of 4G services across the nation. It is believed that a robust telecommunications infrastructure is a precursor to a country's economic progress. Hence, establishing a strong and affordable wireless technology will bolster the government's vision of Digital India and Smart Cities.

Today India stands as the second-largest telecommunications market in the world. The mobile phone industry in India has contributed US\$ 400 billion in terms of gross domestic product (GDP) of the country in 2014. This sector which is growing exponentially is expected to generate about 4.1 million additional jobs by 2020, as per Groupe Special Mobile Association (GSMA).

The Indian telecom sector has grown rapidly and there has been a dynamic change in the last one year. The operations of the leading telecom companies in India have been disrupted by the emergence of Jio. With this, these biggest Indian telecom brands have ventured into offerings like unlimited calling & data plans, which has further pushed the adoption in the Indian telecommunication market. The top telecom companies in India include Airtel, Idea, Vodafone, BSNL, Jio etc. Market share of India wireless service providers as on May 2017 indicates the present consolidation. BhartiAirtel with 278.6 million mobile subscribers is the largest mobile operator in India. Reliance JioInfocomm is the fourth largest telecom operator in India with 117.3 million subscribers. Vodafone India with 211 million and Idea Cellular with 196.2 million users will become the largest telecom operator when they officially combine their operations in 2018. Airtel will be the second telecom operator.

Reliance Jio the new entrant in telecom industry aims at creating an entire digital ecosystem, offering broadband services, applications, smart devices, and mobile telephony facilities. Its offerings range from a wide library of recorded and live music programs, television shows, sports programs to movies. Jio Money, Jio Play and Jio Join app are among the most popular Jio applications.

OBJECTIVES

- To provide insights on the evolution of Indian telecom industry
- To critically evaluate the firm's strategic positioning and scope in a competitive environment
- To study the business strategy of Reliance Jio

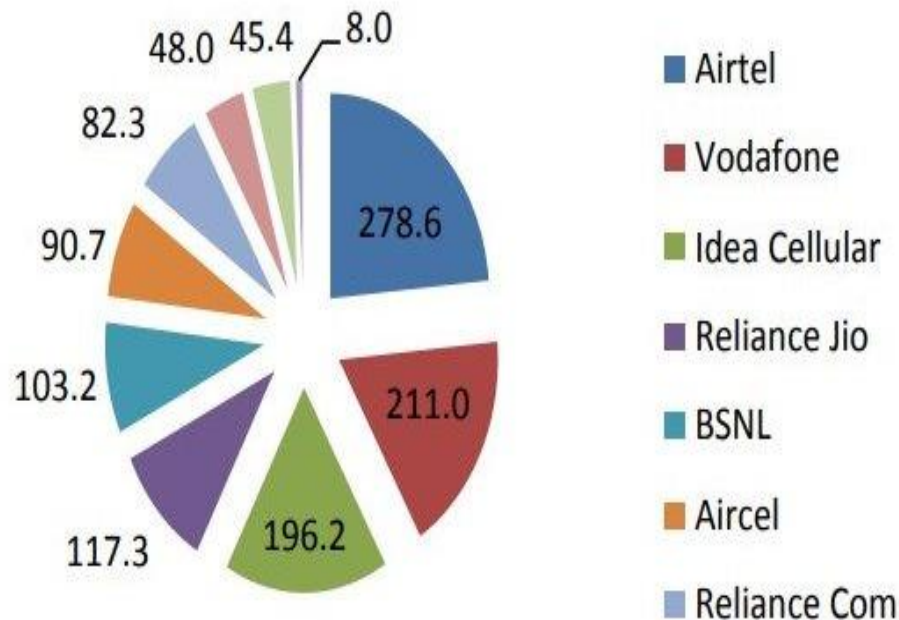
Players in the market

BSNL has massive infrastructure, manpower, systems, and 80 per cent of landlines and 90 per cent of broadband connections in India are operated by it. The latest figures following Reliance Jio's September 2016 launch show just how painful it could be. Earlier this week, Bharti Airtel,

the country's largest telco, reported its lowest consolidated net profit in four years—Rs504 crore for the third quarter ended 31 December, as against Rs1,108 crores for the same period last year. But the impact of the Reliance-triggered price war—profits for Idea Cellular, the country's third largest mobile phone operator, fell 88% for the quarter ended September from the same period a year ago—is likely to reverberate through 2017 and well into 2018.

By the beginning of this year, Reliance Jio had signed up 72 million subscribers. The telecom pie in India is so large that subscriber base growth for rival telecoms hasn't been hit too hard yet by that rapid growth. Besides, how many of the subscribers stick around once the free service period is over remains to be seen. But the financial strain is another matter entirely. The big three—Airtel, Vodafone and Idea Cellular—have deep-enough war chests to absorb the pain for now. Smaller companies are not as fortunate. Consolidation or exits are inevitable; witness Reliance Communications' merger with Aircel.

Chart 1: Market share of wireless service providers as on May 2017
(in million)



Source: <http://www.telecomlead.com/telecom-statistics/india-telecom-operator-market-share-chart-for-may-2017-78116>

Advertising Competition in telecom sector

The recent years have seen a cut-throat competition in telecom sector as the number of players has increased. The telecom industry's pricing war was confined to call and data costs but now it has spreader to advertising, as top carriers Bharti Airtel, Vodafone India and Idea Cellular jacked up spending on promoting their latest price points.

The three key telecom players have already increased advertisement spending by 10-15% each since Jio launched services early September, they are expected to further rev up expenses by at least 20% on year each this fiscal through March 2017.

Jio is promoting its offers heavily to get users to make it the primary SIM. Vodafone, which has bought TV time during the IPL, an envious slot because of the game's popularity, is strong with urban subscribers. Idea focuses mainly on a rural, semi-urban user base.

Strategy of Jio

After Jio entry in market completely changed the business and revenue generating model of the telecom industry by providing very affordable data rates and free voice call which was no one could imagine. There has been remarkably little research done on how strong players use marketing tactics to respond to new or anticipated threats and whether they arise because of changing technology, price or deregulation. There are primarily four defensive strategies which are either focused on retaining the customers, or to reduce the rate of a customer dissociating from the brand altogether.

- Positive Strategies – Retaining the customer by stressing on the advantage of your services or product
- Parity Strategies – Providing or matching the services of new entrant's product or services to
- Inertial Strategies – To slow down the customer loss by emphasizing that switching to the competitor's services will be a loss
- Retarding Strategies – Offer products or services to delay customer loss and stress that the gains after the switch will be minor ones

Strategy of rivals

The following things they can do to adapt to this change-

1. Focus on innovation and development
2. Development of 4G network coverage.
3. Re-strategizing pricing and plans.
4. Focus on data innovation.
5. Aim should be on creating value before profits.
6. Creating an image of customer centric brand who care for their requirements.
7. Customer believes in better service and facilities, the operator which provides them those they shift towards.

Booming sectors

The Tower companies are reaping benefits of a turnaround in the sector as operators have started investing in networks to boost data penetration. However, it is in the country's booming mobile segment in which the major battles are being fought. Three major private players – Bharti, Reliance and Vodafone - with a formidable 54% share of the market between them, lead a large field of mobile operators. State-owned enterprises –BSNL and MTNL – have also been making their presence felt with a combined market share of 12%.

The Indian telecom sector is expected to generate four million direct and indirect jobs over the next five years according to estimates by Randstad India. The employment opportunities are expected to be created due to combination of government's efforts to increase penetration in rural areas and the rapid increase in Smartphone sales and rising internet usage.

International Data Corporation (IDC) predicts India to overtake US as the second-largest Smartphone market globally by 2017 and to maintain high growth rate over the next few years as people switch to smart phones and gradually upgrade to 4G.

Market Size

| Sl.No | Service Provider | Subscriber base (Million) | | | Rate of growth (%) | Market Share in QE Mar-17 | Market Share in QE Jun-17 |
|-------|------------------|---------------------------|--------|---------------|--------------------|---------------------------|---------------------------|
| | | Mar-17 | Jun-17 | Net Additions | | | |
| 1 | Airtel | 277.51 | 284.53 | 7.01 | 2.53 | 23.23 | 23.50 |
| 2 | Vodafone | 209.20 | 212.09 | 2.89 | 1.38 | 17.51 | 17.52 |
| 3 | Idea | 195.37 | 196.28 | 0.91 | 0.47 | 16.35 | 16.21 |
| 4 | R. Jio | 108.68 | 123.36 | 14.68 | 13.51 | 9.10 | 10.19 |
| 5 | BSNL | 114.68 | 117.37 | 2.69 | 2.35 | 9.60 | 9.69 |
| 6 | Aircel | 90.90 | 90.32 | -0.58 | -0.63 | 7.61 | 7.41 |
| 7 | R.Comm | 84.68 | 82.50 | -2.17 | -2.57 | 7.09 | 6.81 |
| 8 | Telenor | 50.49 | 47.34 | -3.16 | -6.25 | 4.23 | 3.91 |
| 9 | Tata | 50.74 | 45.54 | -5.21 | -10.26 | 4.25 | 3.76 |
| 10 | MTNL | 7.09 | 7.06 | -0.03 | -0.46 | 0.59 | 0.58 |

Source: <http://www.trai.gov.in/whats-new>

It also means that a change in the growth direction of the Smartphone industry is in the offing. Currently, less than 10% of the Indian subscriber base has 4G-enabled handsets. Demand will inevitably spike here as data prices plummet and penetration grows. That represents a manufacturing opportunity that dovetails neatly with the Make in India initiative. But that comes with its own set of challenges. Domestic manufacturers like Micromax must contend with Chinese companies that have already had a chance to hone their 4G game in the Chinese market. Given the recent surge by the latter and their rapidly growing market share, that will not be easy.

The mobile industry is expected to create a total economic value of Rs 14 trillion (US\$ 217.37 billion) by the year 2020. It would generate around 3 million direct job opportunities and 2 million indirect jobs during this period.

The total number of telephone subscribers in the country rose by 11.13 per cent year-on-year to 1,151.78 million in the September-December quarter of 2016. According to a report by leading

research firm Market Research Store, the Indian telecommunication services market will likely grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020.

The revenue of mobile handset industry rose 22 per cent to Rs 1.36 trillion (US\$ 21.12 billion) in 2016. According to a study by GSMA, smart phones are expected to account for two out of every three mobile connections globally by 2020 making India the fourth largest Smartphone market. India is expected to lead in the growth of Smartphone adoption globally with an estimated net addition of 350 million by year 2020. # Total number of Smartphone shipments in India stood at 25.8 million units in the quarter ending December 2016, and Smartphone shipments during 2016 stood at 109.1 million units, up by 5.2 per cent year-on-year. Broadband services user-base in India is expected to grow to 250 million connections by 2017.

Some of the major developments in the recent past are:

- Reliance Industries Limited plans to invest an additional sum of Rs 18,000 crore (US\$ 2.79 billion) during April-June 2017 on its telecom arm, Reliance Jio, to expand its fibre network, thereby raising the total amount invested in the business to more than Rs 1.9 trillion (US\$ 29.50 billion).
- BhartiAirtel Ltd, India's largest telecom operator, has decided to buy Tikona Digital Networks PvtLtd's 4G business for approximately Rs 1,600 crore (US\$ 248.43 million), which includes its broadband wireless access spectrum as well as 350 cellular sites in five telecom circles.
- BhartiAirtel will buy Telenor's India operations in seven circles to receive 43.5 megahertz (MHz) spectrum in the 1800 MHz band.
- Ortel Communications, Odisha's largest multi-system operator, plans to invest around Rs 300 crore (US\$ 45 million) over the next two years, for upgrading its infrastructure, along with strengthening its reach, efficiency and competitiveness in the market.
- Reliance Communications Limited (RCom) has signed a binding agreement with Brookfield Infrastructure Partners to sell a 51 per cent stake in Reliance Infratel, RCom's tower unit, for Rs 11,000 crore (US\$ 1.65 billion).
- Chinese Smartphone manufacturers, Oppo and Vivo, have both planned to invest in setting up large scale manufacturing capacity in the state of Uttar Pradesh in India, with an aggregate investment size of Rs 4,000 crore (US\$ 600 million).

Government Initiatives

The government has fast-paced the reforms in the telecom sector and proactively providing room for growth for telecom companies. Some of the major initiatives taken by the government are as follows:

- The Government of India has allocated Rs 10,000 crore (US\$ 1.5 billion) for rolling out optical fiber-based broadband network across 150,000 cumulative gram panchayats (GP) and Rs 3,000 crore (US\$ 450 million) for laying optical fibre cable (OFC) and procuring equipment for the Network For Spectrum (NFS) project in 2017-18.

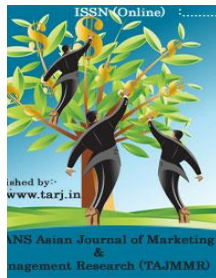
- The Telecom Regulatory Authority of India (TRAI) focusing on identifying the various issues that make it difficult to do telecom business in India like license acquisition and spectrum allotment among others, and review them in order to simplify these processes to the maximum possible extent.
- The Government of India planning to auction the 5G spectrum in bands like 3,300 MHz and 3,400 MHz to promote initiatives like Internet of Things (IoT), machine-to-machine communications, instant high definition video transfer as well as to boost its Smart Cities initiative.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.

Road Ahead

India will rise as a leading player in the telecommunication world by having 700 million internet users of the 4.7 billion global users by 2025, as per a Microsoft report. Internet economy expected to touch Rs 10 trillion (US\$ 155 billion) by 2018, contributing around 5 per cent to the country's GDP. With the government's favorable regulation policies and 4G services hitting the market, the Indian telecommunication sector is expected to witness fast growth in the next few years. The Government of India also plans to auction the 5G spectrum in bands like 3,300 MHz and 3,400 MHz to promote initiatives like Internet of Things (IoT), machine-to-machine communications, instant high definition video transfer as well as its Smart Cities initiative.

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UGC APPROVED JOURNAL



EMPLOYEE ENGAGEMENT- A MECHANISM FOR WORK RENDEZVOUS

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ABSTRACT

This paper aims towards the theme of employee engagement and with this we have tried to review a variety of aspects relating to the topic. Employee engagement is the intensity of dedication and attachment an employee has towards his organization and its values. It is a quantifiable degree of an employee's positive or negative connection to their job, colleagues and organization which intensely influences their willingness to learn & perform at work. Motivated and engaged employees tend to contribute more in terms of organizational productivity and support in maintaining a higher commitment level leading to the higher customer satisfaction. Employees Engagement saturates across the employee-customer boundary, where revenue, corporate goodwill, brand image are also at stake. This paper makes an attempt to study the different dimensions of employee engagement with the help of review of literature. This can be used to provide an overview and references on some of the conceptual and practical work undertaken in the area of the employee engagement practices. Being satisfied at work is a weaker predictor of business outcomes than engagement and lacks the two - way reciprocal relationship characteristic of engagement. There is a very strong relationship between organizational citizenship and engagement, as both focuses upon going beyond the expected.

Both engagement and the psychological contract have a cognitive and emotional element and can depict the two - way employee - employer relationship.

KEYWORDS: *Employees, Employee engagement, performance, organizational productivity*

INTRODUCTION

The notion of employee engagement is extensively used and spoken about in the entire progressive organizations which usually deals with how pleased the employees are with their jobs, their work environment their colleagues and how their performance is linked with the organizational upshots. Jack Welch once said, three things any organization should center on are employee engagement, customer satisfaction and cash flow.

This study is an attempt to examine the literature in the area of employee engagement and present the same in a significant and orderly manner. Primarily possible we have broadly dealt with this subject and have ordered what we have shared logically. Employee engagement is a dimension to measure how happy & cheerful the employees are with their individual jobs, work environment and how proficient their performance levels are? Managing high morale among employees can be of noteworthy assistance to any organization, as an actively engaged worker is more productive and stay loyal to the company. Organizations with high employee engagement levels are more prolific and more profitable than those organizations with low levels of employee engagement.

LITERATURE REVIEW

Rayton, B. & Swart, J. (2000) armored the importance of employee communication on the success of a business. She revealed that an organization should realize the importance of employees, more than any other variable, as the most powerful contributor to an organization's competitive position. Bijaya Kumar Sundaray (2002) focused on various factors which lead to employee engagement and what should company do to make the employees engaged.

Proper attention on engagement strategies will increase the organizational effectiveness in terms of higher productivity, profits, quality, customer satisfaction, employee retention and increased adaptability.

Moore, K. (2004) investigated five key areas: What does 'employee engagement' mean? How can engagement be managed? What are the consequences of engagement for organizations? How does engagement relate to other individual characteristics? How is engagement related to employee voice and representation? Robinson, I. (2006) throw light on what engagement is and reveals that it is an important yet complex challenge, and there remains a great deal of scope for discussing the various approaches. Macey, W.H. & Schneider, B. (2011) observed some of the literature on Employee engagement; explore work-place culture & work-life balance policies & practices followed in industries in order to promote employee engagement in their organizations to increase their employees' productivity and retain them. Work -life balance is key driver of employees' satisfaction.

Sandeep kular, Mark, Chris Rees (2008) this summarizes a broad range of working life of employee and employee's attitude and engagement. This study reveals the value of engagement and how engagement varies around the sectors. It shares knowledge and developing new sights into the nature of employee engagement and its impact on organization. Ram & Gantasala (2011) investigated the antecedents and consequences of employee engagement in Jordanian Industry. Siddhanta A. & Bhatia (2012) focused on the need for such employees and how their presence can improve the progress and work efficiency of the organization as a whole. Siddhanta & Roy (2012) surveyed implications for theory, further research and practices by synthesizing modern 'Employee Engagement' activities being practiced by the corporate with the review of findings from previous researches / surveys. Singh & Shukla (2012) tried to find out what variables are significant to create an engaged workforce.

The study was exploratory in nature and the data has been collected from a tin manufacturing organization. Girivas Vaidyanathan¹ & Uma Maheshwari (2016) Employees form the integral part of an organization. To stay competitive a company will have to keep its employees fully involved in everything that is happening towards their business outcomes. Every employee in the company will have to be committed, motivated and enthusiastic about working for the company and its goals. There has to be a meaningful intersection between what the company is expecting from the employee and what the employee is expecting from the company. For more than a decade now, every organization is interested to know how much their employees are engaged to its cause.

OBJECTIVE

- To analyze employee engagement and their functions and its implementation in advertising firm like Crest pre-media solutions.
- To provide suggestions on the bases of employee engagement activities done in Crest.
- The main aim of conducting an employee engagement survey is to find out the factors that what actually drive employees to perform their best and also the ones that can put them off.

RESEARCH METHODOLOGY

- The present study is confined to work engagement and its techniques adopted by Crest pre-media solutions an advertising company in Magarpatta, Pune, Maharashtra.

Universe

- The universe comprises of Crest Pre-media solutions includes around 1000 employees working at different positions/ designations.

Sample

- The sample size refers to the number of items to be selected from the universe to constitute a sample. The sample size used for the study includes 60 employees of different skill, Age qualification, designation.

METHOD OF DATA COLLECTION.

The questions were distributed among the eligible participant and were to be filled by them. The research explained the questions to the participant who were unable to the implications of the given questions and helped in filling up the questionnaire.

TOOLS FOR DATA COLLECTION

Primary and Secondary sources of data have been used for the research wherein for primary data collection questionnaire technique has been used. The questionnaire utilized for the purpose of research was a semi-qualitative one. The questionnaire dealt with different aspect of the organization like, “aware of employees and company’s role”, “opportunity of growing employees and company”, “managers, supervisors and colleagues are helpful or not”, “likes and dislikes in Crest Pre-media solutions” etc..

The sources of secondary data, were: previous year’s employee records, Journals, Magazines

PURPOSE OF THE STUDY

The research focuses on employee engagement activities in the organization. Since, the study consists of practical work; the project was executed in such a way that it would cover all the aspects of employee engagement and thus arriving at a suitable conclusion to meet the objective of the project.

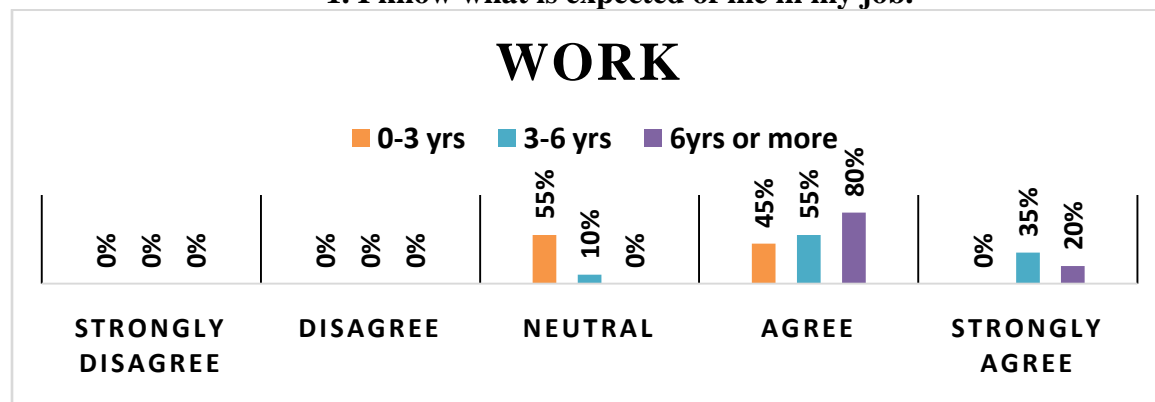
1. Research Design Formulation- Descriptive research design was followed, in which the employees of the organization were surveyed covering the locations in Magarpatta cyber city ,Pune

2. Sampling Plan:

- Sampling Units: Employees of Crest pre-media solutions
- Sample Technique: Convenient Sampling.
- Research Instrument: Structured Questionnaire
- Sample Size:60

DATA ANALYSIS & FINDINGS

1. I know what is expected of me in my job.



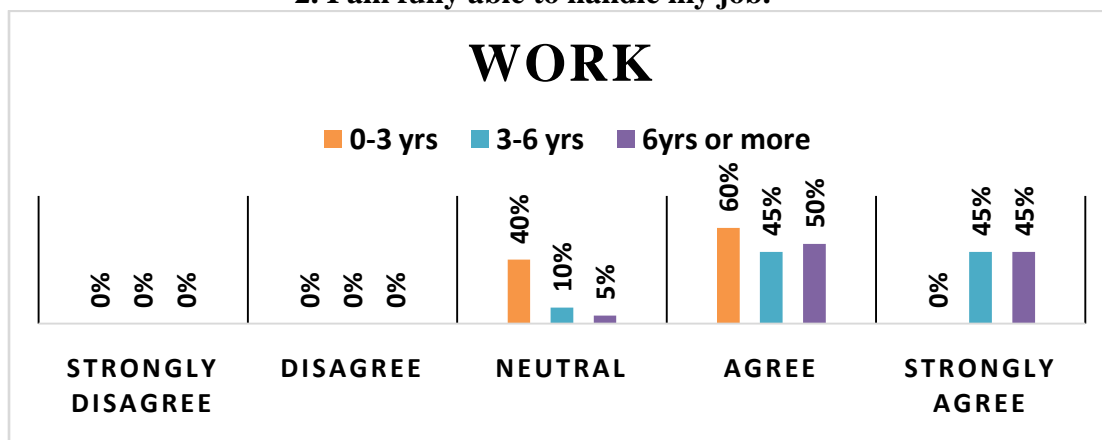
Out of 60 employees, 0-3 years of experience are 55% neutral, 45% agree, 0% strongly agree.

Employees of 3-6 years of experience are 10%neutral, 55%agree, 35% strongly agree.

Employees of 6years or more are 0%neutral, 80%agree, 20% strongly agree.

Maximum employees know what is expected from their job which means they are aware of the fact of what is expected from them by the company.

2. I am fully able to handle my job.



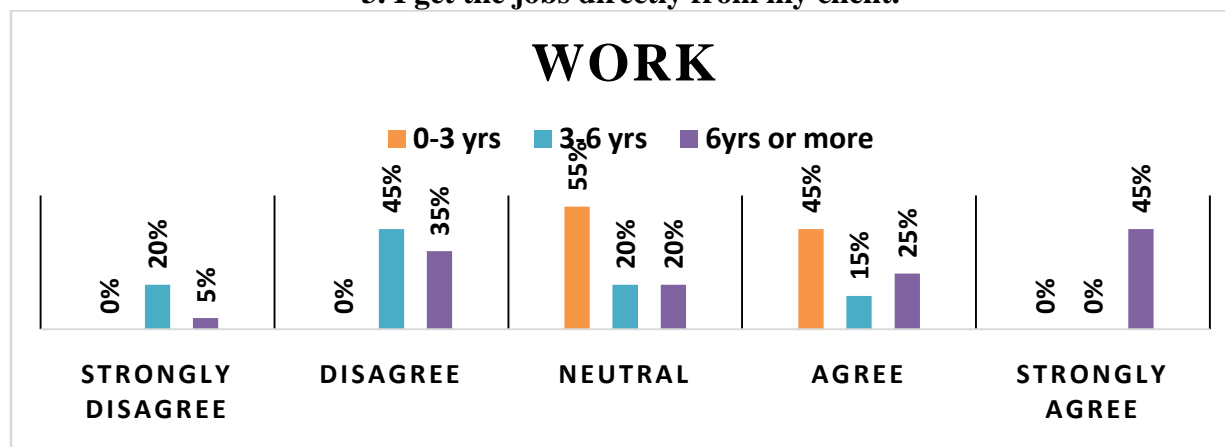
Out of 60 employees, 0-3 years of experience are 60% Neutral, 40% Agree, 0% strongly agree.

Employees of 3-6 years of experience are 10%Neutral, 45%Agree, 45% strongly agree.

Employees of 6years or more are 5%Neutral, 50%Agree, 45% strongly agree.

Maximum agree to the fact that they are able to handle their job which means the employees are efficient enough to handle their work.

3. I get the jobs directly from my client.

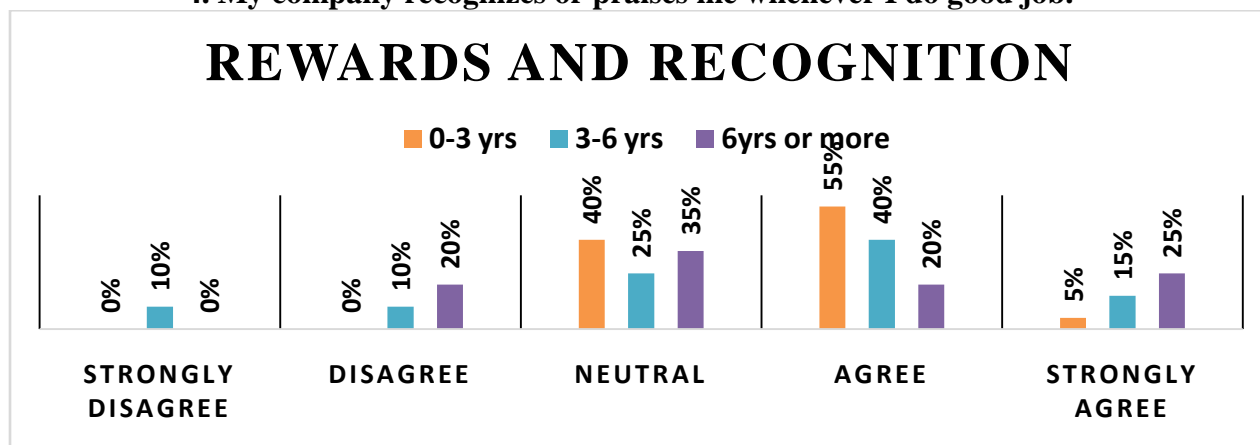


Out of 60 employees, 0-3 years of experience are 55% Neutral, 45% Agree, 0% strongly agree.

Employees of 3-6 years of experience 20%strongly disagree, 45%disagree, 55%Neutral, 45%Agree, 0% strongly agree. Employees of 6years or more are 5%strongly disagree,

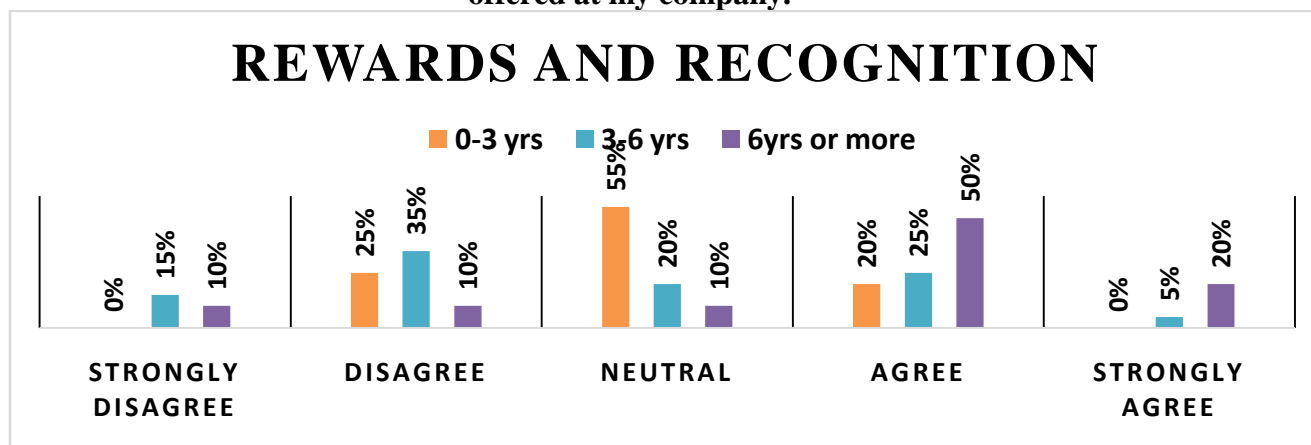
35% disagree, 20% Neutral, 15% Agree, 45% strongly agree. Maximum are neutral. The reason for this is many don't get the orders directly it is the Associate manager who divides the work or they get orders from IAIMS.

4. My company recognizes or praises me whenever I do good job.



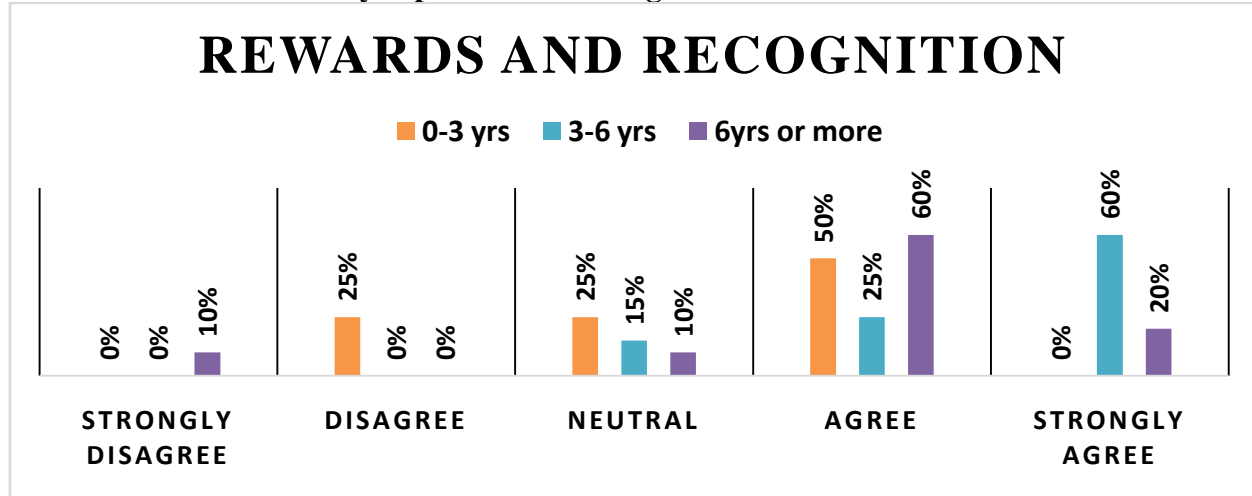
Out of 60 employees, 0-3 years of experience 40% neutral, 55% agrees, 5% strongly agrees. Employees of 3-6 years of experience 10% strongly disagrees 10% disagrees, 25% neutral, 40% agrees, 15% strongly agrees. Employees of 6 years or more 20% disagrees, 35% neutral, 20% agrees, 25% strongly agrees. Maximum employees agree that the company praises them which means the company is taking care of the employees who are jewels to the company.

5. I am happy with the benefits package (such as PF, Medi -claim, and Gratuity) offered at my company.



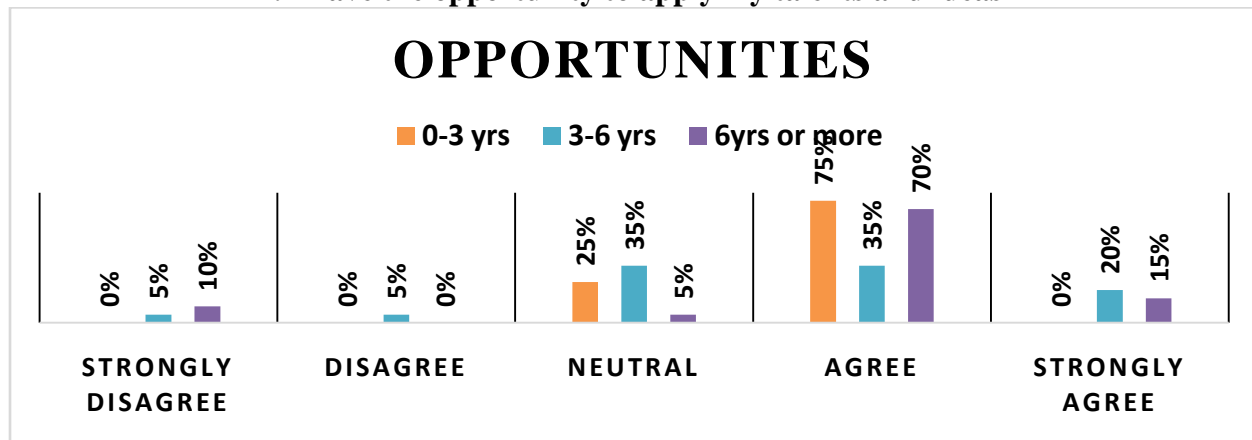
Out of 60 employees, 0-3 years of experience 25% disagrees, 55% neutral, 20% agrees. Employees of 3-6 years of experience 15% strongly disagrees 10% strongly disagrees 10% disagrees, 25% neutral, 40% agrees, 15% strongly agrees. Employees of 6 years or more 20% disagrees, 35% neutral, 20% agrees, 25% strongly agrees. maximum 0-3 years are neutral in this question that might be they are not known with what are the benefit packages offered by the company or employees don't know to share Whereas 6 years or more employee agree that they are happy with the benefits being given.

6. My supervisor encourages new ideas from me.



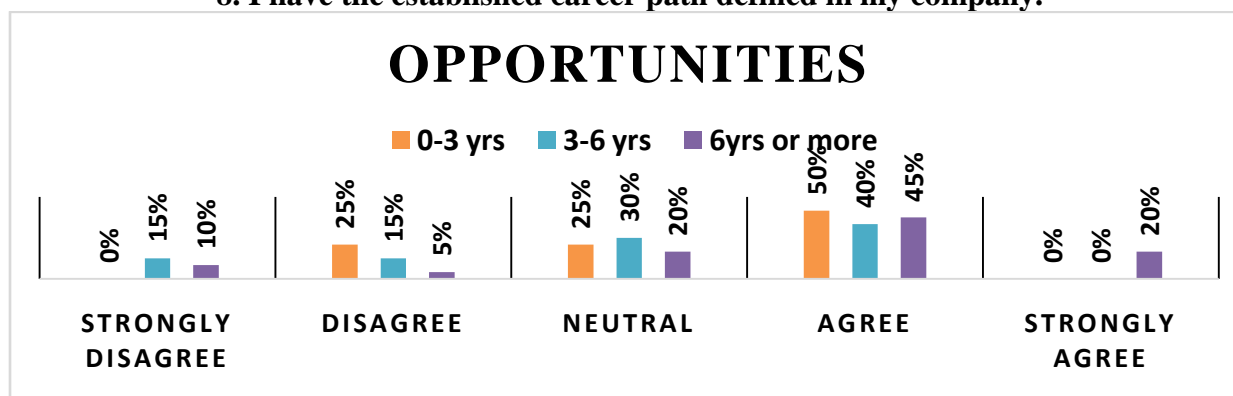
Out of 60 employees, 0-3 years of experience are 25%disagree, 25% neutral,50% agree, 0% strongly agree. Employees of 3-6 years of experience are 15%neutral,25%agree, 80% strongly agree. Employees of 6years or more are 10%strongly disagree,10%neutral, 60%agree, 20% strongly agree. Maximum people agree that they are being encourage by their supervisor for their ideas and creativity.

7. I have the opportunity to apply my talents and ideas



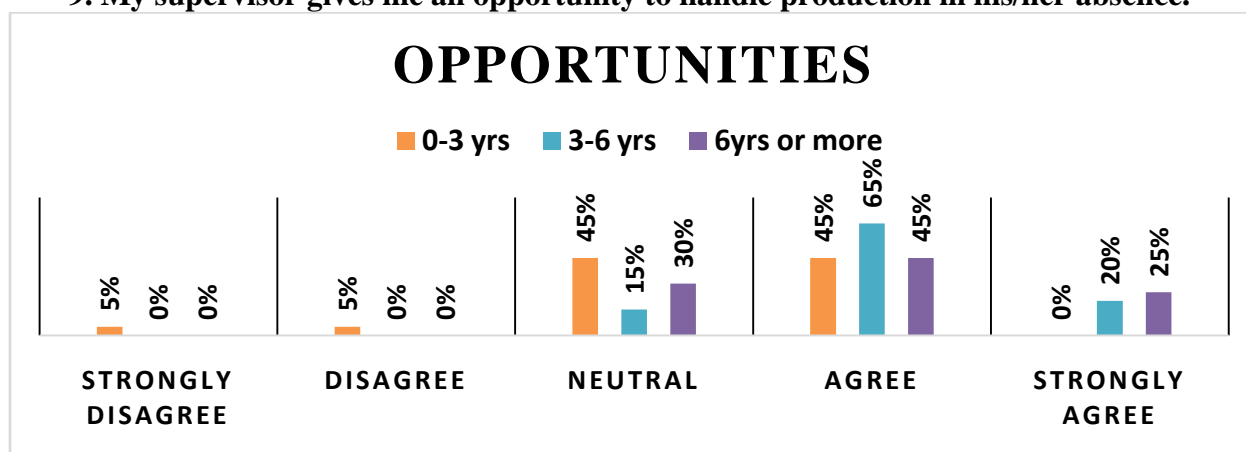
Out of 60 employees, 0-3 years of experience are 25% neutral, 75% agrees, 0% strongly agrees. Employees of 3-6 years of experience are 5%strongly disagrees, 5%disagrees 35%%neutral, 35%agree, 20% strongly agree. Employees of 6years or more are 10%strongly disagrees, 5%neutral, 70%agree, 15% strongly agree. Maximum agree that they have the opportunity to apply their thoughts and ideas which means that the employee are given their wish to do what they want.

8. I have the established career path defined in my company.

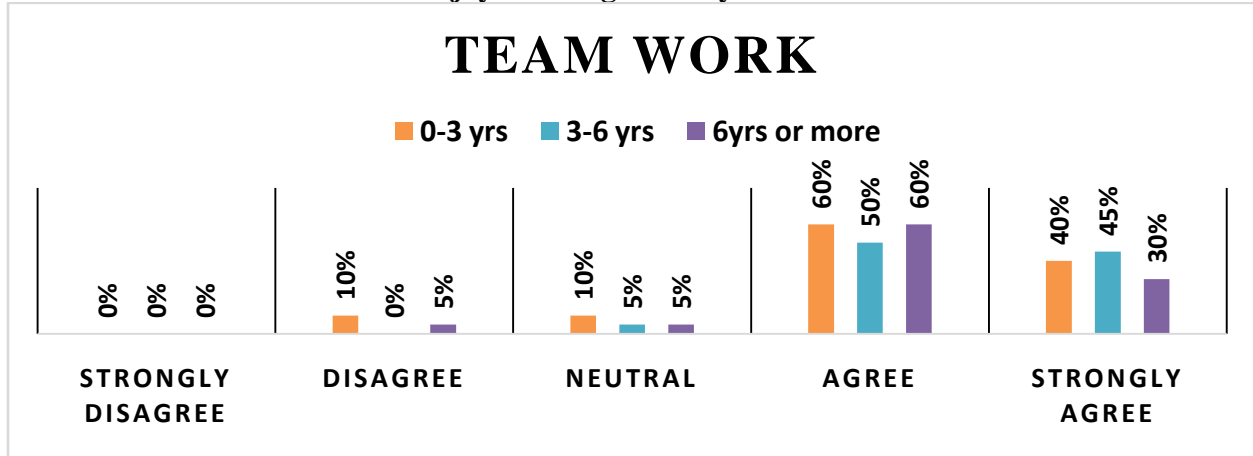


Out of 60 employees, 0-3 years of experience are 25%disagree 25% neutral, 50% agree. Employees of 3-6 years of experience are 15%strongly disagrees, 15%disagrees, 30%neutral, 40%agree, 0% strongly agree. Employees of 6years or more are 10%strongly disagrees, 5%disagrees, 20%neutral, 45%agree, 20% strongly agree. Maximum agree that they have decided career path in this company, also the response is neutral since the fresher employee may not be attached to the company.

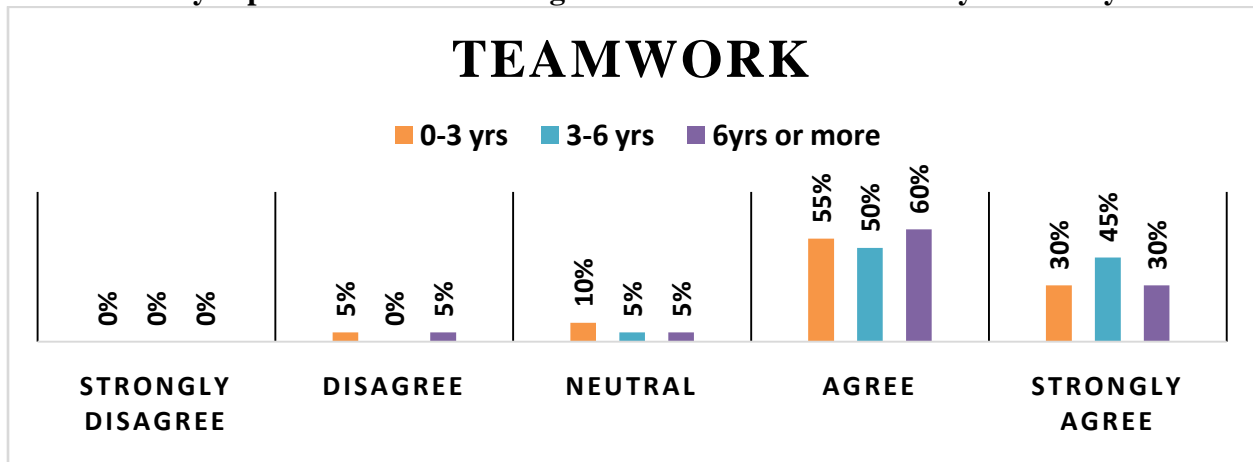
9. My supervisor gives me an opportunity to handle production in his/her absence.



Out of 60 employees, 0-3 years of experience are 5%strongly disagrees,5%disagrees,45% neutral,45% agree. Employees of 3-6 years of experience are 15%neutral,65%agree,20% strongly agree. Employees of 6years or more are 30%neutral,45%agree, 25% strongly agree. Maximum agree that the supervisor give them the opportunity to handle their work as well. This also states that the supervisor has a better relationship with his members.

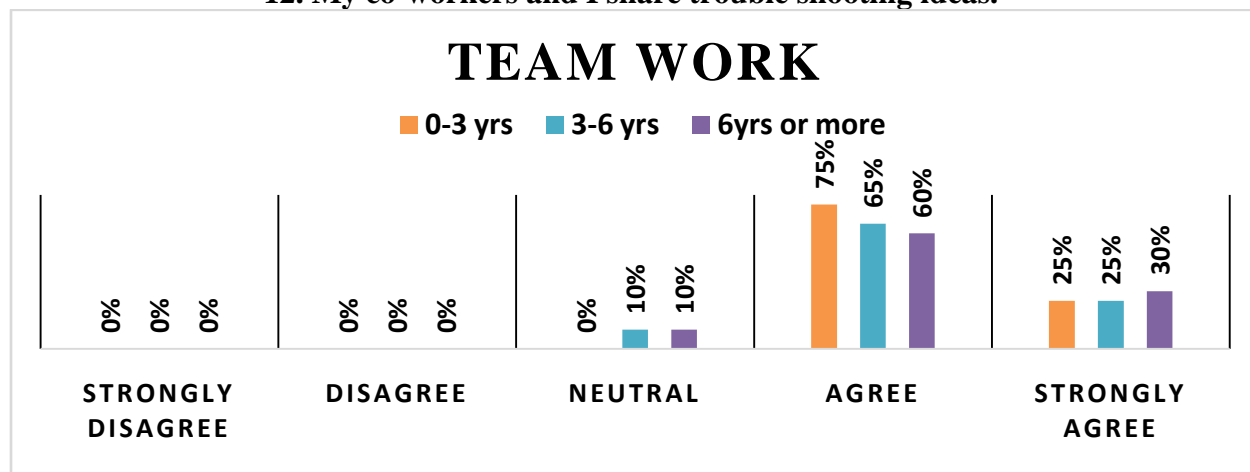
10. I enjoy working with my co-workers.

Out of 60 employees, 0-3 years of experience are 10% disagree, 10% neutral, 60% agree, 40% strongly agree. Employees of 3-6 years of experience are 5% neutral, 50% agree, 45% strongly agree. Employees of 6 years or more are 5% disagree, 5% neutral, 60% agree, 30% strongly agree. Maximum employees agree and enjoy working with their co workers

11. My experienced co-workers guided me with the work in my initial days.

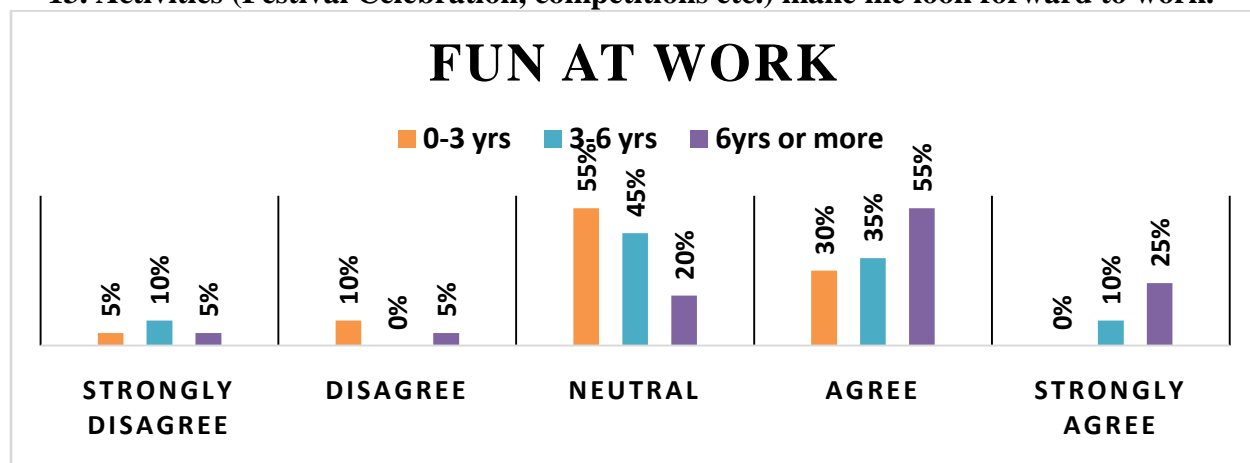
Out of 60 employees, 0-3 years of experience are 5% disagree, 10% neutral, 55% agree, 30% strongly agree. Employees of 3-6 years of experience are 5% neutral, 50% agree, 45% strongly agree. Employees of 6 years or more are 5% disagrees, 5% neutral, 60% agree, 30% strongly agree. Maximum employees agree that they are being guided by their co-workers here comes the teamwork. Since there are employees who disagrees to this also, the reason may be the relation between the teammates is a bit weak or lack of interaction.

12. My co-workers and I share trouble shooting ideas.

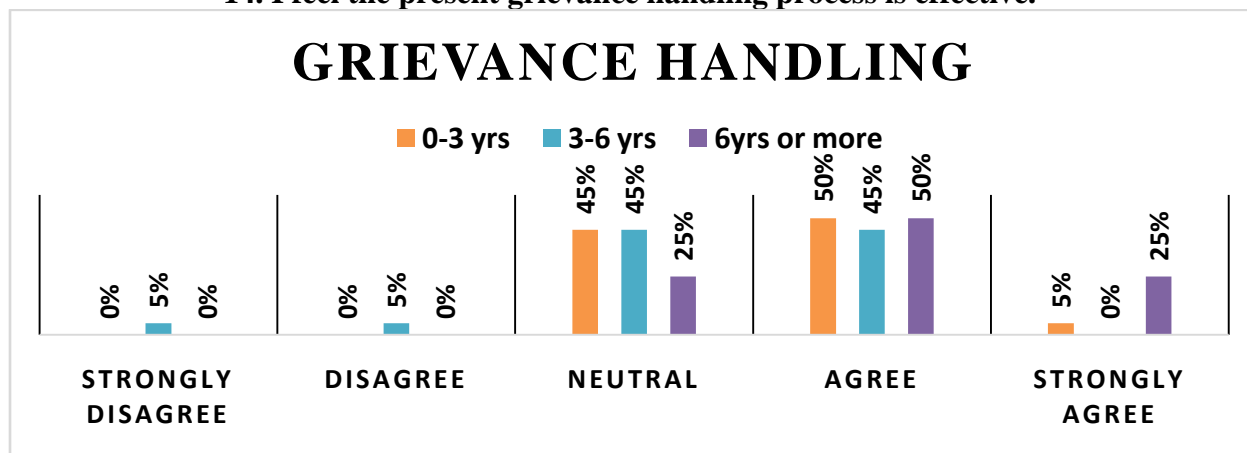


Out of 60 employees, 0-3 years of experience are 0% neutral, 75% agree, 25% strongly agree. Employees of 3-6 years of experience are 10% neutral, 65% agree, 25% strongly agree. Employees of 6 years or more are 10% neutral, 60% agree, 30% strongly agree. Maximum employees agree maximum in sharing troubleshooting problems with the co-workers.

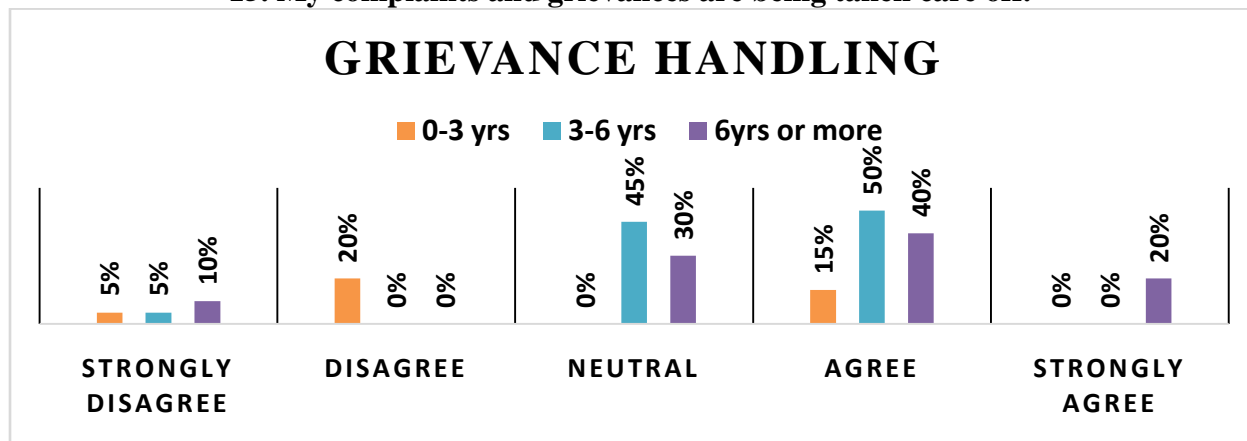
13. Activities (Festival Celebration, competitions etc.) make me look forward to work.



Out of 60 employees, 0-3 years of experience are 5% strongly disagree, 10% disagree, 55% neutral, 30% agree. Employees of 3-6 years of experience are 10% strongly disagree, 45% neutral, 35% agree, 10% strongly agree. Employees of 6 years or more are 5% strongly disagree, 5% disagree, 20% neutral, 55% agree, 25% strongly agree. Maximum employees agree that activities and functions make them look forward to work, as only working cannot boost the employee in his workplace.

14. I feel the present grievance handling process is effective.

Out of 60 employees, 0-3 years of experience are 45% neutral, 50% agree, 5% strongly agree. Employees of 3-6 years of experience are 5%strongly disagrees, 5%disagree, 45%neutral, 50%agree. Employees of 6years or more are 25%neutral, 50%agree, 25% strongly agree. Maximum employees agree that the grievance handling process is effective followed by the neutral ones who have never been in any grievances.

15. My complaints and grievances are being taken care off.

Out of 60 employees, 0-3 years of experience are 5% strongly disagrees, 20% disagrees, 15% agree. Employees of 3-6 years of experience are 5%strongly disagree, 45%neutral, 50% agree. Employees of 6years or more are 10%strongly disagree, 30%neutral, 40%agree, 20% strongly agree. Maximum agrees to this but strongly disagree employees are also been seen followed by 20% disagree employees.

FINDINGS

- ❖ Maximum employees know what is expected from their job which means they are aware of the fact of what is expected from them by the company.

- ❖ Maximum agree to the fact that they are able to handle their job which means the employees are efficient enough to handle their work.
- ❖ Maximum employees agree that the company praises them which mean the company is taking care of the employees who are jewels to the company.
- ❖ Maximum agree that they have the opportunity to apply their thoughts and ideas which means that the employee are given their wish to do what they want.
- ❖ Maximum agree that the supervisor give them the opportunity to handle their work as well. This also states that the supervisor has a better relationship with his members.
- ❖ Maximum employees agree that they are being guided by their co-workers here comes the teamwork. Since there are employees who disagree to this also, the reason may be the relation between the teammates is a bit weak or lack of interaction.
- ❖ Maximum employees agree that the grievance handling process is effective followed by the neutral ones who have never been in any grievances.

SUGGESTIONS

- Supervisors and Managers should meet at regular intervals with the employees to discuss about the improvement in the company, at work place and in their living of standard, family problems etc.
- Gap between managers and the employees should be reduced by raising the level of engagement. For example: by conducting extra co-curricular activities like social and cultural programs.
- Very least employees feel that their ideas or work can't be recognized/ appreciated. So encourage them by making them feel that their ideas as well as they are important for the company.
- Create good and healthy environment at work place.
- Some of the employees find their job boring and monotonous. Encourage them to take part in extra co-curricular activities.

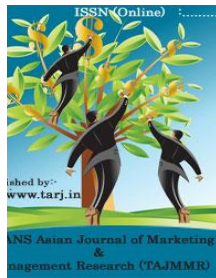
CONCLUSION

The intention of the study was to analyze employee engagement with their tasks and its execution in an advertising firm like Crest per-media solutions pvt. Ltd. The activities being done are evaluated and traced. The company should introduce some skill enhancement activities to make the employee acquainted with their own qualities and skills.

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IMPACT OF SERVICE QUALITY ON PREMIUM CUSTOMER'S SATISFACTION IN HDFC BANK- AN EMPIRICAL STUDY

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ABSTRACT

Competition in banking sector is getting immense and to get the competitive advantage over its competitors it's pivotal to understand the customer's needs and to provide them superior services. In this deregulated, competitive, ever-demanding customer market retaining and attracting the customers are important. Service quality is the most important criteria and asset to evaluate and satisfying customers by increasing customer's average retention and loyalty. Prior research suggests that customer expectation and perceptions vary across the key determinates of service quality. The focus of this study is to determine the impact of service quality on customer satisfaction and identifying the key dimensions that have major impact on customer satisfaction. This study also surveys the gap between the expectations and perceptions of customers towards service quality and providing the means through which customer satisfaction can be improved. Service quality has an influence on success and costs, as service quality impacts customer satisfaction; it impacts customer preservation, reduces costs and increases profitability (Newman, 2001). Having adequate amount of resources need to provide banking services is the key in increasing the customer satisfaction amidst the benefits and features provided by the respective banks. Among all the dimensions, least gap score is shown by reliability and empathy dimension which means banks should devise strategies to maintain and even further improve on these dimensions to provide superior customer satisfaction.

KEYWORDS: *Competitive Advantage, Service Quality, Customer Satisfaction, Customer Expectation*

INTRODUCTION

Liberalization movement that started in emerging economy as India post 1991 era had lead banking sector to devise strategies to accommodate the varying needs and wants of the customers (Krishnan et al., 1999). The Indian banking industry has observed major reforms during the last decade. The central bank of India has initiated a number of liberalization reforms to encourage private banks to move towards market driven system (Kumbhakar and Sarkar, 2003). The banking sector reforms focused on customer satisfaction, investments, training on human resource, asses-liability management and use of technology to make banking convenient (Bedi, 2010). The highly regulated market pre-deregulation had muffled the growth of the public sector banks, and they had become incompetent and were losing efficiency (Kumar and Gulati, 2009). These measures act as a catalyst for the private banks and an opportunity to gain customer base. The foreign and private banks have grown at 50%, while public sector banks have enhanced their development rate to 15%. The share of the private sector banks has increased by 35% of total sector assets (McKinsey, 2010).

Competition in this present era is more challenging and dynamic and variety of services offered and technology by the banks has led customers more aware of the competition taking place and seeking for the best services as they pay for them. Banks that deliver good quality service to their customers absolutely would be able to increase their returns and incomes by being paid in terms of customer retention (Bennett and Higgins, 1988) and loyalty. The association between customers and corporations has strongly developed to a way where the customers have a controlling position in a sense of bargaining power (Peppard 2000; Porter 2008). By this control, customers have become more demanding towards service providers (Porter 2008; Peppard 2000). One could clearly depict that many industries including service industry especially banks depends on the mercy of the customers. Gaining competitive advantage in today's commercial service organizations is a very thoughtful task for executives, because they need to find a better way to deliver superior value to their customers (Yep et al. 2012; Yu & Dean 2001; Oliver 1997). This is the reason that have amplified the position of service quality in banking sector as there are many players competing for the market share and finding new ways to attract and retain the customers by providing better services than their competitors and win over them (Wang. Y., 2003). Customers always want to get maximum satisfaction from the products or services that they purchase. Captivating in today's marketplace involves the need to build customer relationship and not just making the products; building customer relationship means delivering superior value over competitors to the target customers (Kotler et al., 2002, p. 391). An organization delivers quality services or not will be contingent on the customers' feedback on the satisfaction they get from consuming the products, meanwhile higher levels of quality lead to higher levels of customer satisfaction (Kotler & Keller. 2009, p. 169).

Therefore having competitive advantages through the service quality requires to recognition of quality requirements of customer perspective (Wang & Sohal, 2000). Service quality has been defined as the degree and direction between customer service expectations and perceptions. Perceived service quality is discrete as how well a service contents the expectations of

customers. Service quality has an influence on success and costs, as service quality impacts customer satisfaction; it impacts customer preservation, reduces costs and increases profitability(Newmn, 2001). To provide better services to the customers it is very significant to combine convenience with promptness and technology with human element. The research adapted the SERVQUAL model to know about the impact of service quality on customer satisfaction service in HDFC bank. The result would help the HDFC bank to define their strategies to compete better on the grounds of service quality and customer satisfaction.

REVIEW OF LITERATURE

Exploration states that quality can be defined from the consumer's point of view wherein goods and services exceed their expectations (Parasuraman et al., 1985; Gronroos, 1990; Zeithaml et al., 1990). Customers perceptions regarding service quality depends upon the gap that exists between what customers expected and perceived at the time of service delivery (Parasuraman et al. 1985) It is very imperative for the banks to understand what customers expects from the service providers and delivering the superior service that provide an edge to the business to win over their competitors and gain competitive advantage (Ranganathan and Ganapathy, 2002) and helps in retaining customers (Zhu and Lin, 2010). Quality is a mental evaluation of the service (Cronin and Taylor, 1992) and is supposed to measure the 'gap' in the service delivery (Asubontegxx` et al., 1996). The characteristics of services is intangibility, Inseparability, heterogeneity and perishability. The intangibility of services adds to the complexity in understanding services (Cowell, 1984; Wolak et al., 1998). The enactment of service quality advances customers' trust in the service provider and affects their intentions to use the service (Shamdasani et al., 2008). The service quality comprises of functional and technical components(Gronroos, 1990). The functional component comprises of components of service personnel, speed at which service is delivered, and the capability of the staff. The technical component encompasses of the consequence of the service. The key purpose of SERVQUAL model is to have standard and reliable tool for measuring the service quality of different service sectors. The SERVQUAL model incorporates five perceived service quality attributes: tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al., 1988). It focuses on the delivery process but does not take into account the behavioral aspects (Baker and Lamb, 1993; Richard and All away, 1993). Originally SERVQUAL model had introduced with 10 quality dimensions. Those are as follows: 1.Tangibility, 2.Reliability, 3.Responsiveness, 4.Competency, 5.Courtesy, 6.commuication, 7.Credibility, 8. Security, 9.understanding the customer and 10.Access. However in the article issued by (Parasuraman et al) in 1988, He clipped these ten dimensions into five. These are 1.Tangibles, 2.Reliability,3Responsiveness, 4.Assurance and 5Empathy. By taking these dimensions as the reference, twenty- two set of questions are developed,. Robinson (1999) also explains that there are two set of questionnaire, one is related to customer expectations (expectations regarding services quality before service delivery) and second, is related to customer perception(perception of service quality after service delivery). The difference between the expectations and perceptions constitute the service quality gap. There are five service quality gaps according to Parasuraman (2004) and the Tahir and Bakar (2007). These are:

- Gap 1: The difference between what customers really expect and what management think (perceptions) of customers' expectations. This gap is referred to as the understanding or knowledge gap.
- Gap 2: It is the difference between management perceptions of customer service quality expectations and service quality specifications. This gap is referred as standard gap.
- Gap 3: This gap is also known as the delivery gap. The difference between service quality specifications and the actual service quality delivered.
- Gap 4: It arises because of the difference between the delivery of service and the external communication regarding promises made to customers. This gap is termed as Communication gap.
- Gap 5: This gap is the variance between customers' expectations of service quality and the actual service received.

SERVQUAL display weights on the conveyance procedure however it doesn't consider the clarification for behavioral highlights (Baker and Lamb, 1993; Richard and Allaway, 1993). Research suggests that SERVQUAL display can't be reasonable for all service sector research and alterations have been proposed by the differences in the nature of services (Parasuraman et al., 1988; Carman, 1990; Gronroos, 1990; Babakus and Mangold, 1992; Stafford, 1996; Bahia and Nantel, 2000; Aldlaigan and Buttle, 2002). The model of SERVQUAL measures the service conveyance and not the results (Buttle, 1996; Genestre and Herbig, 1996) and it doesn't envelop all the marketing basics and just concentrates on the product or service measurements (Gilmore and Carson, 1992). Regardless of limitations specified about SERVQUAL display, it have been broadly used to quantify the service quality of financial services (Bahia and Nantel, 2000; Lassar et al., 2000; Cui et al., 2003; Duff, 2004; Guo et al., 2008). In a current report on Indian banks, it has been found by Bedi (2010) that service quality was an imperative contributor of consumer satisfaction. She likewise found that customers' satisfaction with banking service was effectively connected with their embracing its services to customers. There are different components influencing clients' attitudes and perceptions concerning service quality in banks. Cronin and Taylor (1992) battle that performance based approach (SERVPERF) is more suitable for evaluating service quality in banks, in any case, Angur et al. (1999) in the wake of utilizing their model in Indian keeping money portion thought that it was inadmissible. Their decisions propose SERVQUAL as more suitable for determining banking service quality.

Customer satisfaction has been measured in different ways, from measurement to its associations with other business features. (Levy, 2009; NBRI, 2009) provided possible means of measuring customer satisfaction. In the meantime other authors like Wilson et al. (2008) established some factors of customer satisfaction to be product and service quality, price, individual and contingency factors (Wilson et al., 2008, p. 79-80). Researchers have observed into the relationship between customer satisfaction and TQM. (Wen-Yi, et al., 2009, p. 957-975). Customer satisfaction is also based upon the level of service quality provided by the service provider (Lee et al., 2000, p. 226) and service quality acts as a determinant of customer satisfaction (Wilson et al., 2008, page 79-80). Other researchers have taken out concepts relating customer satisfaction and service quality in their studies. Wang & Hing-Po, (2002, p. 50-60) measured service quality in mobile phone market and importance on the dynamic relationship among service quality, customer satisfaction, customer value and their impact on future

behavior's after the key drives of customer value and customer satisfaction are recognized in china . Negi (2009) discovered the importance of customer-perceived service quality in defining the overall satisfaction of customers in the framework of mobile service providers. The result was that reliability and network quality were relevant factors to evaluate service quality and he approves that tangibles, empathy and assurance should not be abandoned when evaluating perceived service quality and customer satisfaction. The idea of using service quality dimensions to study customer satisfaction, Ahmed et al., (2010) conducted a arbitration of customer satisfaction relationship between service quality and rebuying intentions for the telecommunication sector among university students, with SERVQUAL model's 5 dimensions (tangibles, responsiveness, empathy, assurance and reliability) by Parasuraman et al.(1988) to measure service quality. Service quality and customer satisfaction have been standard from past researches to be positively related (Baker-Prewitt, 2000; Kuo, 2003).

Relationship between Tangibility and Customer Satisfaction

Iwaarden et al. (2003) characterized tangibility as physical layout, gear and appearance of employees and management team. Further, it is also distinct as the affluence in discernibility of resources necessary for providing the service to customers, well-groomed employees and comfort in retrieving written materials like handouts, leaflets, fliers, folders, material records etc will have a auspicious significance on the level of customer satisfaction (Parasuraman et al., 1985). Modern looking or sophisticated equipments and visually tempting or attractive ambience are viewed as the constructive impacts of tangibility on customer satisfaction in banking sector (Ananth et al., 2011).

H1: Tangibility dimension leads to customer satisfaction

Relationship between Reliability and Customer Satisfaction

Reliability is characterized as the capacity to perform the required service to customers reliably and accurately as promised to deliver (Zeithaml et al., 1990). In banking services provided to the customer, accuracy in concluding orders, keeping detailed record and estimate, accuracy in billing, maintaining promised services are the basic interpretations of reliability which is considered as the most significant factor in substantial customers to retain in banking services (Yang and Fang, 2004).

H2: Reliability leads to customer satisfaction.

Relationship between Responsiveness and Customer Satisfaction

Zeithaml et al. (1990) defined responsiveness as the interests revealed in providing speedy service to customers when required. Further, it is investigated that readiness of employees to provide the required customer service without any inconvenience at any time will strongly influence the level of customer satisfaction (Parasuraman et al., 1988). Customers get satisfied when banks provide individual attention and the employees are paying attention to glitches experienced by customers regarding safety in transaction (Kumar et al., 2009).

H3: Responsiveness leads to customer satisfaction

Relationship between Assurance and Customer Satisfaction

Assurance is regarding as the knowledge and good conducts or courteousness of employees (Van Iwaarden et al., 2003). Further, it is also distinct as the capability of employees with the help of the knowledge possessed to stimulate trust and confidence will strongly strike the level of customer satisfaction (Parasuraman et al., 1988). In banking services provided to the customer, assurance means providing fiscal help in a polite and approachable manner, ease in suitability of account details, comfort or expediency inside the bank, a well skilled and professional management team and will have promising consequences on customer satisfaction (Sadek et al., 2010).

H4: Assurance leads to customer satisfaction

Relationship between Empathy and Customer Satisfaction

Empathy is well-defined as the ability to take care of customer's consideration individually in providing service to customers (Iwaarden et al., 2003). Further, it is considered that understanding customer expectations better than opponents in providing the required customer service at any time without any troublesomeness will strongly influence the level of customer satisfaction (Parasuraman et al., 1988). Suitable working hours, personalized attention, better understanding of customer's specific needs, improved communication between management and customers will have a positive outcome on customer satisfaction (Ananth et al., 2011).

H5: Empathy leads to customer satisfaction.

RESEARCH METHOD

Figure 1 exhibits the research framework of this study. It demonstrates the effects of five key predictors of service quality on customer satisfaction regarding banking services provided in HDFC bank.

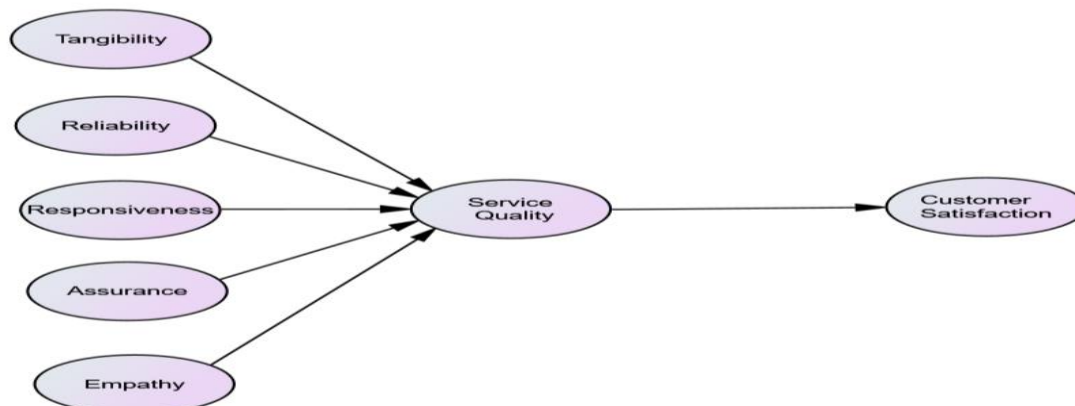


Figure 1: Conceptual framework

NEED FOR THE PRESENT RESEARCH

The study would throw some insights into the current services provided by the bank, Customers satisfaction and their services as being perceived by their customers. The result of the study would enable the bank to identify the keys areas where improvement is required for better performance and success ratio. Competition in the present age of business is dynamic and

challenging in the banking sector which is making it more difficult to retain and attract the customers. In order to survive competition and achieve a competitive advantage over its competitors it's important to know about customers satisfaction and their perceptions regarding the service quality that is been provided by the bank. No business can survive in this present age in the long run without considering the customers perspectives regarding their organization.

OBJECTIVES OF THE STUDY

1. to find out relative importance of service quality dimensions in terms of customer satisfaction,
2. to know the gap between customers' expectation and perception of service quality,
3. to find out the difference in customer satisfaction and service quality on the basis of gender,
4. to draw the conclusions on the basis of difference in age group in customers in respect to their satisfaction and service quality and
5. To identify which dimension of service quality needs attention and improvement to provide more satisfaction to customers.

RESEARCH DESIGN AND METHODOLOGY

This study is directed towards knowing the impact of service quality on Premium customer satisfaction in HDFC bank. The SERVQUAL model is adapted for the purpose of conducting the study in bank and one more construct that is customer satisfaction has been incorporated in the study so that to measure the relationship between service quality attributes and customer satisfaction. The scale currently contains 22 perception items that are distributed throughout five service quality dimensions of Tangibility, Reliability, Responsiveness, Assurance, Empathy and 5 items related to customer satisfaction, the total of 27 items. The scale also contains expectation items. The difference between expectation and perception constitute a measure of service quality. This researcher has combined both the quantitative and qualitative method for the purpose of the research study. Quantitative research involves the methodological techniques that represent employees in numerical categories. The researcher used the Likert scale questionnaire; respondents are selected through simple random sampling and required in their response to choose most appropriate answer per question asked ranging from (1 to 5) options, where (1) represents that respondents "strongly disagree" with the question asked, (2) represents respondents "disagree" with the question, (3) represents that respondents are either "neutral" or "they do not carry any opinion regarding the question", (4) represents that respondents "agree" with the question and (5) represents that respondents "strongly agree" with the question.

Qualitative methods are described as research methods that provide the detailed description and analysis of the quality or substance, of human experience. In this research, Correlation, Reliability test, Regression analysis that were carried out item wise dimension wise using a computer software tool of SPSS.

The population of the study includes premium customers of HDFC Bank (Kashmir division). The questionnaire is used as a tool for data collection, it was distributed through 100 respondents, and all were completed and returned to the researcher.

DATA INTERPRETATION AND ANALYSIS

RELIABILITY TEST

Cronbach's α was used to measure the consistency of each item under the same construct. All scales have greater than the suggested value of 0.70. All the constructs tangibility, reliability, responsiveness, empathy, responsiveness and customer satisfaction have the sufficient standard reliability values. Thus the reliability scale is proved to be higher in this research indicating the effectiveness of the study. The alpha value for each construct demonstrates adequate internal consistency.

TABLE NO 1: CRONBACH'S ALPHA OF EACH CONSTRUCT

| Construct | Dimension | items | Cronbach's α |
|-----------------------|----------------|-------|---------------------|
| Service quality | Tangibility | 4 | .833 |
| | Reliability | 5 | .782 |
| | Responsiveness | 4 | .772 |
| | Assurance | 4 | .722 |
| | Empathy | 5 | .799 |
| Customer satisfaction | | 5 | .850 |

Source: Data compilation by the scholars for the present study

PEARSON CORRELATION ANALYSIS

The Pearson Correlation Analyses were employed among variables. Table 2 shows the correlation analyses among all constructs for HDFC bank. The result reveals that there are significant positive correlations between tangibility and customer satisfaction ($r=0.355$, $p<0.01$), reliability and customer satisfaction ($r=0.345$, $p<0.01$), responsiveness and customer satisfaction ($r=0.304$, $p<0.01$) assurance and customer satisfaction ($r=0.429$, $p<0.01$). There is significant positive correlation between empathy and customer satisfaction ($r=0.454$, $p<0.01$). It means that responsiveness may result in positive effect on customer satisfaction.

TABLE NO 2: PEARSON CORRELATION ANALYSIS

| | Tangibility | Reliability | Responsiveness | Assurance | Empathy | Customer satisfaction |
|-----------------------|-------------|-------------|----------------|-----------|---------|-----------------------|
| Tangibility | 1 | | | | | |
| Reliability | .672 | 1 | | | | |
| Responsiveness | .539 | .317 | 1 | | | |
| Assurance | .488 | .471 | .488 | 1 | | |
| Empathy | .478 | .519 | .418 | .344 | 1 | |
| Customer satisfaction | .355 | .345 | .304 | .429 | .454 | 1 |

Source: Data compilation by the scholars for the present study

REGRESSION ANALYSIS

It is verified that the five determinants of service quality as proposed by the SERVQUAL Model namely Tangibility, Reliability, Responsiveness, Assurance, and Empathy have serious impacts on the dependent variable that is Customer Satisfaction. Thus, if an increase in the predictors by 0.669 will strongly affect the customer satisfaction in HDFC bank. Thus, the change in the five determinants will cause a 66.9% deviation in customer satisfaction as realized.

TABLE NO 3: RESULT OF REGRESSION ANALYSIS

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|-------------------|----------|-------------------|----------------------------|
| 1 | .669 _a | .448 | .418 | .52207 |
| a. Predictors: (Constant), empathy, responsiveness, reliability, assurance, tangibility | | | | |

Source: Data compilation by the scholars for the present study

TABLE NO 4: RESULTS OF REGRESSION ANALYSIS (DIMENSION WISE)

| X | Tangibility | Reliability | Responsiveness | Assurance | Empathy |
|------------------------------|-------------|-------------|----------------|-----------|---------|
| Y | | | | | |
| Customer satisfaction | .355 | .336 | .304 | .429 | .454 |
| T value | 3.763 | 3.515 | 3.164 | 4.700 | 5.040 |
| R square | .126 | .113 | 0.093 | .184 | .206 |
| Adjusted R square | .117 | .104 | 0.083 | .176 | .198 |

Source: Data compilation by the scholars for the present study

The results indicate that the determinant, Empathy has the highest impact on customer satisfaction than any other determinants of service quality of banking services provided in HDFC bank. If Empathy increases by 0.454, will have increased customer satisfaction in banking sector. Similarly, the customer satisfaction in HDFC is also strongly influenced by the assurance as increase in it by 0.429 will cause a direct increase in customer satisfaction. Moreover, customer satisfaction in HDFC bank is also directly affected by tangibility as increase in tangibility by 0.355 will cause a respective increase in the customer satisfaction in HDFC bank. However, the customer satisfaction in HDFC is also influenced by the reliability but not as much as other

determinates impact have on customer satisfaction as increase in reliability by 0.336 will causes an increase in customer satisfaction. Responsiveness has lowest impact on customer satisfaction, where an increase in it by 0.304 will cause an increase in the customer satisfaction in banking services provided by HDFC bank

GAP SCORE ANALYSIS

TABLE NO 5: GAP SCORE ANALYSIS

| Construct | Mean score | | Gap score |
|------------------------------|-------------|------------|-----------|
| | Expectation | Perception | |
| Tangibility | 4.58 | 3.12 | 1.46 |
| Reliability | 4.50 | 3.21 | 1.21 |
| Responsiveness | 4.53 | 2.96 | 1.57 |
| Assurance | 4.65 | 2.72 | 1.93 |
| Empathy | 4.50 | 3.12 | 1.38 |
| Customer satisfaction | 4.55 | 3.12 | 1.43 |

Source: Data compilation by the scholars for the present study

In the above table, it is clearly shown that HDFC bank is deficient on the assurance responsiveness, tangibility and customer satisfaction while bank is performing well on reliability and empathy. Less gap score means customer satisfaction and more gap score leads that bank must have to devise the strategies to mitigate the gap occurred in the above dimensions. Bank should pay more attention to consumer needs, timely services and inform customers when services will be performed. Provide them prompt service and should always willing to help their customers.

Bank should find ways to instill confidence in their customers and make them feel safe in their transactions. Bank staff needs to be courteous with their dealings with their customers and have knowledge to answer the queries of the customers. Although the gap in tangibility dimension is not that huge but need to be considered to provide overall customer satisfaction. HDFC bank should pay attention to modern equipment's, physical facilities and neatness of their employees. Among all the dimensions, least gap score is shown by reliability and empathy dimension which means banks should devise strategies to maintain and even further improve on these dimensions to provide superior customer satisfaction.

FINDINGS

According to above analytic results, this study inspected the perception of service quality provided to customers in HDFC bank and the relative differences attached with the various determinants of service quality using the SERVQUAL model. The findings of the research suggest that customer satisfaction towards service quality in HDFC bank is significantly influenced by Assurance, Tangibility, Empathy, Reliability and Responsiveness. It is found out that empathy has the most significant impact on customer satisfaction and Responsiveness has

the least significant impact on customer satisfaction towards HDFC bank. From these findings, it is clear that the customer expectation exceeds well in empathy provided by the HDFC bank in terms of giving individual attention to customers, listens to their needs, convenient operating hours and keeping best interest of customers at heart.

The bank delivers the best service in respect to provide individual attention to customers. Obviously, the bank fails to meet the expected customer service in the dimension of responsiveness. The banks are not helping the customers at times when the customers need them the most and the customer requests and other queries remains unanswered or unattended at most times. Problem handling is also one important aspect where the HDFC bank fails miserably. Thus, the customer perceptions regarding responsiveness in quality of service provided to them falls short with high margin and responses to this study suggest that responsiveness has positive correlation and less significant impact on customer satisfaction. It is evident that HDFC bank has not shown interests in responding to problems experienced by customers. There is a customer problem

SUGGESTIONS AND RECOMMENDATIONS

The Indian sector in India has been competing with same type of products to the consumers and hence service quality is considered as the key differentiator among the banks providing better service to the customers. Since the competition in this industry is intense, the competition prevails among banks and hence service quality could provide them edge to rise above competition. It is found out that empathy has the most significant impact on customer satisfaction and Responsiveness has the least significant impact on customer satisfaction. Customer satisfaction has so many benefits to bank and high level of customer satisfaction leads to more customer loyalty. Maintaining the good customers in the long run is more beneficial than continuous attraction of new customers to replace with those customers who have broken up their relationship with company. Customers who have more satisfaction from the bank, they tell their positive experiences to others and such this way they become publicist of company, therefore they reduce the customer attraction cost also. This is very important to professional service deliver, because their popularity, Reputation, Introducing their benefits and positive points of them through their customer word of mouth is the essential information source for new customers. It is the responsibility of the bank management to increase the effectiveness of those departments and be consistent in making them active to the fullest extent as possible. The operating hours of the banks have to be redesigned such that each category of customers can be provided individual attention by allocating special time zone as per the need of the category customers. Having adequate amount of resources need to provide banking services is the key in increasing the customer satisfaction amidst the benefits and features provided by the respective banks.

It is important that the bank management should have a better understanding of what their customer needs are and what the customers expect from the services provided by the bank in terms of service quality. The bank managers should identify the gap prevails between the perceived service quality and actual service quality of banking services provided to customers and find effective ways to enhance customer satisfaction with respect to important service quality features. Because there is a stiff competition in banking sector in India, customer service by exceeding the required needs of customers is the most vital component for each bank and

bank managers need to emphasize on ways to improve customer satisfaction regarding improved service quality. Also, the bank managers can use the results of this study to increase their understanding of which service quality dimensions has the strongest association with overall customer satisfaction. When providing banking services, observations on the level of fulfillment of customer needs and the degree of customer satisfaction with the respective bank periodically need to be done and it will help the bank to decrease the gap in matching the perceived service and the rendered service so that customers' loyalty

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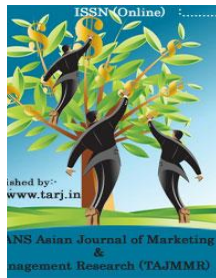
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ROLE OF TFCI IN THE DEVELOPMENT OF TOURISM INDUSTRY IN INDIA

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ABSTRACT

Tourism is recognized as a major global service industry governed by the economic laws of supply and demand. The economic importance of tourism in national economy can be appreciated with reference to its contribution in employment generation. India has been a late starter in tourism. Understandably, immediately after independence the focus was on key areas like agriculture, industry, irrigation, infrastructure and the social sectors. It was only after 1980's that tourism activity gained momentum. Considering the importance of tourism, the government of India decided that IFCI, which had been appointed as the nodal agency for financing tourism and allied activities, promoted a specialized all-India development financing institution to cater to the needs of the tourism industry. This paper is an attempt to analyze the working of TFCI Ltd towards the upliftment of tourism sector in India, which concludes that since its inception TFCI Ltd has been trying to strengthen the foundation of the tourism industry in India. Much remains yet to be done in order to achieve viable results and suggested that the government should address the problems involved and plug the loopholes on priority basis. The potential is there. It is waiting to fully exploit.

KEYWORDS: *Eco-tourism, Domestic Tourism, Outbound Tourism, National Tourism, International Tourism, Sustainable Tourism.*

INTRODUCTION

Tourism is recognized as a major global service industry governed by the laws of supply and demand. Tourism has advanced as commitment to general development. It touches not only the economic fabrics of the society but also has deep-rooted effects on social norms and moral values. The ramifications of tourism have reached out to many sectors of the economy. It plays an important role in the economic development of the nation. The economic importance of tourism in national economy can be appreciated with reference to its contribution in employment generation. Tourism as a source of employment is particularly important for areas with limited alternative sources of employment. Millions of people throughout the World now depend directly or indirectly for their employment on tourism. The word Tourism originated from Latin word “Tornos” which means a tool for describing a circle or turner’s wheel. It is from this word that the concept of round or package tour was evolved. It was as late as 1643 that this term was first used in the sense of travelling from place to place. In other words tourism consists of all those trades, which together satisfy the varied needs of the travelers.

India has been a late starter in tourism. Understandably, immediately after independence the focus was on key areas like agriculture, industry, irrigation, infrastructure and the social sectors. India is a country known for its lavish treatment to all visitors, no matter where they come from. Its visitor-friendly traditions, varied life styles and cultural heritage and colorful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism, snow, river and mountain peaks for adventure tourism, technological parks and science museums for science tourism; centers of pilgrimage for spiritual tourism; heritage trains and hotels for heritage tourism. Yoga, ayurveda and natural health resorts also attract tourists. The Indian handicrafts particularly, jewellery, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. Average length of stay of foreign tourists in the country is approximately one week to a fortnight, which indicates the character of the average foreign visitor as serious minded and exploratory; vindicating the fact that India has a vast variety of offer to the tourists. Tourism can be classified into **Domestic Tourism** — includes residents of a country visiting their own country. **Inbound Tourism** — includes non-residents visiting a country other than their own. **Outbound Tourism** — includes residents of a country visiting other countries. **Internal Tourism** — comprises domestic tourism and outbound tourism. **National Tourism** — comprises domestic tourism and outbound tourism. **International Tourism** — comprises inbound and outbound tourism. Yet another and important name in this category is eco-tourism.

Ecotourism—

For nature, tourism to be sustainable – a number of environmental, economic and social requirements have to be fulfilled. This has led to the introduction of ‘ecotourism’, as a nature tourism eco-label. Eco tourism is entirely a new approach in tourism. It is a preserving travel to natural areas to appreciate the cultural and natural history of the environment, taking care not to disturb the integrity of the ecosystem, while creating economic opportunities that make conservation and protection of natural resources advantageous to the local people. Eco-tourism is generally perceived as ‘high value low volume enterprise’ depending on a few interested tourists with high willingness to pay. Developing countries are gradually realizing that eco-tourism can

be a livelihood tool for rural communities and can also result in sustainable management of natural resources. The educational and cultural attributes attached to ecotourism add value to the business and also make us think that it may not be the quantity of tourists but the quality that we need to address first. This is an ideal form of tourism and tourism progress that encourages going back to natural wealth in every aspect of life. It is also the *passé-partout* to sustainable ecological development. Considering the important role played by nature-based tourism, the year 2002 has been declared as the International Year of Eco-tourism.

The World Conservation Union (IUCN) and ecotourism society define ecotourism as “responsible travel to natural areas that conserves the environment and sustains the well-being of the local people”. However for tourism to be called ecotourism, it should be fully compatible with the conservation goals of the country, while at the same time pose minimum threat to the continuation of local culture and society. Moreover, it should contribute by means of income and education to the contribution of ecosystems. Ecotourism can be categorized as tourism program that is – 'Nature based, ecologically sustainable, where education and interpretation is a major constituent and where local people are benefited.' Based on these definitions, the criteria for tourism to be called ecotourism may be summarized as follows:

- Minimum physical and social impacts on the visited area
- Ecological education of the tourist at the natural site
- Notable economic participation by local tourists.

ECO TOURISM IN INDIA

Eco tourism is a novel section adjunct to the Indian tourism plan. It facilitates die-hard nature enthusiast to meet Mother Nature in her chaste glory abundant with opulent bio diversities of flora and fauna. It promotes the concept of conserving the environment around person and preserving the natural resources and forest life. Eco tourism in India takes visitor on a trip to the unused land close to the Mother Nature but always remember not to cause any harm to the cycle of nature. Eco Tourism in India is about taking a break from the fast city life and leading a slow paced life in the midst of the greenery. Wake up to the alarm of the chirping birds, eat healthy and hygienic organic meal, entertain yourself by watching the activities of the animals and birds and take a joy ride on the elephant or camel back. Explore the nearby village, learn about their customs and traditions, appreciate their art and craft and become friend with them. This is how he spends his days while on eco tourism in India. India offers lots of places unexplored yet safe for eco tourism. Venture into the unexplored paths of the Himalayas, come close to the wild life at the national parks or stays at the tree houses and enliven adventure with eco tourism in India. Picturesque surrounding, cool climate, calm scenario, healthy environment, pollution free locales and fresh air will make the tourist forget his deadlines and work pressures. He would desire to live here till eternity. Considering the importance of ET Government of India has declared ecotourism policy and guidelines in 1998. Consequently some states like- Karnataka, Kerala, Sikkim, Himachal and Madhya Pradesh has also announced the policy relating to eco-tourism.

REVIEW OF LITERATURE

It is the review that enables one to have a clear and comprehensive vision of all the pros and cons of the work, keeps abreast with the latest trends, methods, tools and techniques, makes aware with the frontier of the problem, contributes to scholarship of the investigation and develops deep insight into the problem, points out important aspects, stimulates thinking and promotes creativity, provides concepts and data for evaluation. Such data lead to interpretation, discussion and prove conducive to formulating aims and hypotheses, arriving at conclusions and suggesting remedial measures.

Jaswal, Sultan Singh,¹ in his study entitled "Role of Tourism industry in India's Development explains that the tourism industry of India is economically important and grows rapidly. It contributes a handsome portion in GDP and generates employment. It gives India the third rank among countries with the fastest growing tourism industries over the next decade. This paper is an attempt to discuss how India is emerging as a popular tourist destination in the world, driven by the focus on innovation and creating value for tourists. The study reveals that promotion of tourism ought to be done in order that commercial enterprise in India helps in protective and sustaining the variety of India's natural and cultural environments.

Vethirajan, C, Nagavalli, S:² in his research entitled " Trends and Growth of Tourism Sector in India- A Research Perspective" indicates that tourism is one of the largest service industries in terms of gross revenue and foreign exchange earnings. Its role and importance in fostering economic development of a country and creating greater employment opportunities has been well recognized worldwide. The study is an attempt to explore the unlimited business opportunities of entrepreneurship in tourism industry in India. It concludes that tourism helps a country's economy in a various ways and provides important suggestions for the improvement in tourism sector in India.

Subash, T:³ in his study entitled "Tourism in India: Potentials, Challenges and Opportunities" advocates that tourism industry in India has emerged as one of the key drivers of growth among the services sector in India. It is a sun rise industry, an employment generator, a significant source of foreign exchange for the country. This study is an attempt to indicate the key drivers of growth of tourism industry in India. It concludes that tourism industry is a significant contributor to Indian economy as well. However this sector is facing challenges such as lack of good quality tourism infrastructure, global concerns regarding health and safety of tourists etc.

Vijayaragavan, T:⁴ in his research entitled " Impact of Tourism in Indian Economy" emphasizes that tourism is one of the fastest growing service industry in the country with great potentials for its further expansion and diversification. It helps significantly to the country for creating the employment opportunities to the large number of people. This study is an attempt to coins how tourism sector is significant for Indian economy, which concludes that to attract the foreign tourists in India, liberal policies and reduction in taxes along with a comprehensive package for attracting tourist and foreign investment are the need of the hour.

Patel, Rupal:⁵ in his study entitled "India's Tourism Industry- Progress and Emerging Issues" explains that tourism is the second largest foreign exchange earner in India. It employs a large number of people, both skilled and unskilled. This study is an attempt to examine the progress

made by India in planning era and also examine the problems and challenges of the country as well as the pitfalls in tourism planning in India. Some concrete suggestions have also been given by the researcher for the sustainable development in tourism industry in India.

RESEARCH METHODOLOGY

The proposed study is descriptive in nature, for which researcher has applied analytical descriptive research methodology. It is an attempt to analyses the working of TFCI Ltd in the development of tourism industry in India. For this study secondary data is used and a major part of the data is collected from the annual reports of TFCI Ltd and literature published by TFCI Ltd and other financial institutions time to time. Scholarly books relating to this field and articles by eminent authorities are also consulted for this study to arrive at concrete conclusion.

OBJECTIVES OF STUDY

- To study the concept and importance of Tourism in Indian perspective.
- To study the concept of Eco-tourism.
- To study the Government policy on tourism.
- To study objective and functions of TFCI Ltd.
- To study the contribution of TFCI Ltd for the development of Tourism industry in India.

NEED AND DEVELOPMENT OF TOURISM IN INDIA

India is a developing country with limited physical resources, a large manpower base and an impressive heritage of culture, art and history. The country is at present undergoing a process of economic change, which has a bearing on the development of our economy. It needs to develop infrastructure in both agriculture and industrial fields so that the country prospers. In order to develop, India needs the help and assistance of developed countries and this is given in the form of money, technology, know-how and such assistance that would help to grow. India cannot and must not depend on doles and hence have to develop her own resources of foreign exchange. Though we are exporting a number of traditional items, yet balance of trade position is quite unsatisfactory. To earn more foreign exchange and build up reserves, a need has been felt to offer a foreign buyer, non-traditional items and services such as the ones tourism offers.

Tourism Development in India has passed through many phases. At Government level the development of tourist facilities was taken up in a planned manner in 1956 coinciding with the Second Five Year Plan. The approach has evolved from isolated planning of single unit facilities in the Second and Third Five Year Plans. The Sixth Plan marked the beginning of a new era when tourism began to be considered a major instrument for social integration and economic development. But it was only after the 80's that tourism activity gained momentum.

According to the report of World Travel & Tourism Council (WTTC) India's Travel and Tourism sector ranks 7th in the world in terms of its total contribution to the country's GDP. It generated INR 4.1 trillion (USD 208.9billion) in 2016 which is the world's 7th largest in terms of absolute size, the sum is equivalent to 9.6% of India's GDP. Additionally, the sector supported 40.3 million jobs in 2016, which ranks India 2nd in the world in terms of total employment

supported by Travel and Tourism, the sector accounts for 9.3% country's total jobs. India's Travel and Tourism sector was also the fastest growing amongst the G20 countries, growing by 8.5% in 2016. A further 6.7% growth is forecast for 2017. India's strong Travel and Tourism figures are predominantly generated by domestic travel, which accounts for 88% of the sector's contribution to GDP in 2016. Visitors exports, money spent by foreign travelers in India, only represents 12% of tourism revenues and in 2016 totaled INR 1.5 trillion (USD 22.8 billion). This is 5.4% of the country's total exports, compared to a global average of 6.6%. It shows that India received only 9 million international arrivals in 2016 placing it 40th in the world, and a tenth of those received by top-ranking France. However there is a lot of potential for India to grow their visitor exports. Over the past few months India has already standing to address this gap and made significant changes to visa facilitation, which will help to boost international arrivals. WTTC suggests that visitor exports will grow by 5.4% in 2017. David Scowsill, President & CEO, WTTC, said "India is a tremendous Travel & Tourism economy and I am pleased to see the sector GDP is growing. However, we believe that these numbers could even higher, and that the positive impact of our sector could be more wide-ranging. India has a huge potential to increase its international visitors and, in doing so, it can create more jobs and drive economic growth. We encourage the Indian government to continue to adopt policies that encourage travelers, such as the new visa regime, enable investment in vital infrastructure, and allow companies to do business. India is a beautiful and diverse tourism destination, with the right policies in place it will no doubt continue to grow towards ranking even higher in terms of its tourism economy." Despite the ever-increasing and unpredictable shocks from terrorist attacks and political instability, to health pandemics and natural disasters, Travel & Tourism continued to show its resilience in 2016, contributing direct GDP growth of 3.1% and supporting 6 million additional jobs in the sector.⁶

TOURISM AND GOVERNMENT POLICY

The endeavor of the Government is to achieve sustained growth of tourist facilities in the private sector and to ensure high standards of quality in their services. Several incentives have been made available both by the Central and State Governments. The Government took several significant steps. A National Policy on tourism was announced in 1982. Later in 1988, the National Committee on Tourism formulated a comprehensive plan for achieving a sustainable growth in tourism. In July 1991, tourism was also declared as a priority sector for foreign investment. In 1992, a National Action Plan was prepared and in 1996 the National Strategy for Promotion of Tourism was drafted. The New National Tourism Policy was announced in May 2002. In the Chief Ministers' Conference held on October 30, 2001, the then Prime Minister of India, Sri Atal Bihari Vajpayee had stated:

"Tourism is a major engine of economic growth in most parts of the world. Several countries have transformed their economics using the tourism potential the fullest.... Tourism has great capacity to create large scale employment of diverse kind—from the most specialized to the unskilled and all of us know that generation of massive productive employment opportunities is what India needs the most."⁷ The Policy rests upon the following basic principles:

- position tourism as a major engine of economic growth;

- harness the direct and multiplier effect of tourism for employment generation, economic development and providing impetus to rural tourism;
- focus on domestic tourism as a major driver of tourism growth;
- position India as a global brand to take advantage of the burgeoning global travel & trade and the vast untapped potential of India as a destination;
- acknowledge the critical role of private sector with Government working as a pro-active facilitator and catalyst;
- create and develop integrated tourism circuits based on India's unique civilization, heritage, and culture in partnership with states, private sector and other agencies;
- Ensure that the tourists in India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and feel India from within.

The other major developments that took place were the setting up of India Tourism Development Corporation in 1966 to promote India as a tourist destination and the Tourism Finance Corporation of India in 1989 to finance tourism projects.

Tourism Finance Corporation of India Ltd. (TFCI Ltd.)

Pursuant to the recommendations of National Committee on Tourism set up by Planning Commission in 1989, the government of India decided that IFCI, which had been appointed as the nodal agency for financing tourism and allied activities, promote a specialised all-India development financing institution to cater to the needs of the tourism industry. Accordingly, the Tourism Finance Corporation of India Ltd was promoted by IFCI along with other all India financial institutions, State Bank of India, Canara Bank and Bank of India as a public limited company in 1989 (with initial equity capital of Rs 50 crore which now stands increased to Rs 80.72 crore as on 31-3-17) under the Companies Act 1956. The main objective of setting-up the specialized financial institution was to expedite the growth of tourism infrastructure in the country by providing dedicated line of credit on long term basis to tourism related projects in the country.

In its speech the chairman of TFCI Ltd proudly stated that: "Tourism is an important sector of the economy and contributes significantly in the country's GDP as well as foreign exchange earning. With its backward and forward linkages with other sectors of the economy like infrastructure, including transport and construction, culture, handicrafts, etc, tourism has the potential to be a significant economic driver and also an effective tool for poverty alleviation. Considering the importance of tourism industry the GOI is encouraging tourism sector by means of fiscal incentives, supporting mega-tourism projects across the country, expanding visa-online scheme, strengthening tourism-oriented training and education infrastructure. The Government is promoting the country as a destination for heritage, wildlife, medical, wellness, rural, adventure and eco-tourism and the Hon'ble Prime Minister has become the 'Brand Ambassador' for India. On account of sustained demand and increase in per capita income, the tourism sector is expected to show satisfactory growth in medium term in near future." ⁸

Function of TFCI Ltd.

Since its inception, TFCI provides high-quality research and Consultancy services to the tourism industry in general and to the investors in tourism industry in particular. In line with this, it has

been providing consultancy services to different central and state agencies by undertaking broad-based assignments to cover macro and micro level tourism-related studies/exercises to facilitate identification, conceptualization, promotion/implementation of specific, tourism-related projects and for taking policy level decisions with respect to investment and infrastructure augmentation etc. Besides, it has also been providing specific project-related services to various private sector clients. It has also undertaken appraisal of individual projects for various state government agencies/individual clients. TFCI's range of activities in the consultancy division encompasses project-related services for private sector and institutional services for central and state governments.

TFCI Ltd. provides financial assistance by way of rupee loan, subscription to equity/debentures and corporate loans mainly to hotel projects, amusement parks, ropeways, multiplexes, restaurants etc. With a view to diversity in other related areas. It has expanded the scope of its activities by including financing of infrastructure projects, real estate projects and manufacturing projects to a limited extent, within the scope of its activities. TFCI Ltd is playing a major investment catalyst for viable projects in tourism and other related sectors and plays a dominant role in creating tourism infrastructure in the country.

CORPORATE MISSION

- To help tourism industry grows as one of the main industries through innovative means of financial and advisory assistance and to attain and maintain the leadership role in financing tourism-related projects.
- Catalyze and channelize investments into various segments of the tourism industry and across various locations in a need based manner.
- Take steps to promote the tourism industry within the overall framework of the Government of India policy.

Shareholding Pattern of TFCI Ltd.

As on September 2017

| Name of the Institution | % of the total |
|-------------------------------------|----------------|
| IFCI Ltd. | 26.09 |
| Life Insurance Corporation of India | 6.71 |
| Bank Of India | 0.25 |
| United India Insurance Co. Ltd | 0.03 |
| The Oriental Insurance Co. Ltd. | 1.07 |
| Mutual Fund | 1.05 |
| Other Banks/Financial Institutions | 0.99 |
| Foreign Portfolio Investors | 2.93 |
| Bodies Corporate | 19.79 |

| | |
|--|-------|
| Individual Shareholding (General Public) | 40.80 |
| Trust | 0.00 |
| NRI | 0.19 |
| NBFC Registered with RBI | 0.10 |

Source: Annual Report of TFCI 2016-2017.

Financial Assistance by TFCI Ltd to Tourism Industry

The following tables show the financial assistance given by the TFCI Ltd. to tourism industry during last four years ending on 31st March 2017.

Table 1: Year-Wise Break Up of Amount Sanctioned and Disbursed
(Rs. Crore)

| Year | Sanctioned | Disbursed | % of sanc. | Cum. San. | Cum. Dis. | % of sanctioned |
|---------|------------|-----------|------------|-----------|-----------|-----------------|
| 2013-14 | 767.10 | 440.87 | 57.42 | 7047.73 | 4240.96 | 60.17 |
| 2014-15 | 883.70 | 584.40 | 66.13 | 7931.43 | 4825.36 | 60.84 |
| 2015-16 | 708.05 | 447.91 | 63.26 | 8639.48 | 5273.27 | 61.04 |
| 2016-17 | 974.80 | 487.37 | 50.0 | 9614.28 | 5760.64 | 59.92 |

Source: Annual Report of TFCI Ltd. (Various issues).

Table 2: Purpose-Wise Break Up of Amount Sanctioned
(Rs. Crore)

| Purpose | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------|---------|---------|---------|
| New | 262.00 | 268.10 | 519.80 | 616.80 |
| Expansion | - | 66.00 | 46.00 | 162.50 |
| Renovation/Equity Finance | - | 40.00 | 12.40 | 7.00 |
| Expansion/Renovation/Acquisition/Restaurants | 418.86 | 433.22 | 62.50 | 188.50 |
| Others | 86.24 | 76.38 | 67.35 | - |
| Total amount Sanctioned | 767.10 | 883.70 | 708.05 | 974.80 |

Source: Annual Report of IFCI Ltd. (Various Issues).

Table 3: Facility - Wise Break Up of Amount Sanctioned
(Rs Crore)

| Facility | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Cumulative |
|------------|---------|---------|---------|---------|------------|
| Rupee Loan | 680.86 | 807.32 | 640.70 | 974.80 | 8753.84 |
| Leasing | - | - | - | - | 24.91 |

| | | | | | |
|---|--------|--------|--------|--------|---------|
| Subscription to Pref. Shares, Mutual Fund | 86.24 | 76.38 | 67.35 | - | 820.70 |
| Guarantee | - | - | - | - | 14.83 |
| Total | 767.10 | 883.70 | 708.05 | 974.80 | 9614.28 |

Source: Annual Report of TFCI Ltd.(Various Issues)

Table 4: Facility - Wise Break of Amount Disbursed
(Rs Crore)

| Facility | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Cum.upto 31/3/2017 |
|---|---------|---------|---------|---------|-----------------------|
| Rupee Loan | 354.63 | 508.02 | 380.56 | 487.37 | 4974.30 |
| Leasing | - | - | - | - | 15.80 |
| Subscription to Preference Share, Mutual Fund | 86.24 | 76.38 | 67.35 | - | 756.11 |
| Guarantee | - | - | - | - | 14.83 |
| Total | 440.87 | 584.40 | 447.91 | 487.37 | 5760.64 |

Source: Annual Report of TFCI Ltd. (Various Issues).

The above tables show that the total amount sanctioned by TFCI Ltd up to 31/3/2017 was Rs 9614.28 crore and disbursed Rs 5760.64 crore i.e. 59.92% the total amount sanctioned. Year-wise break up of this amount sanctioned (table no.1) shows an increasing trend except in the year of 2015-16 where it slightly decreases i.e. 23.35% over the previous year amount. Disbursement rate under the study period remained around to 60% which is looking good except in the year of 2016-17 where this rate was 50%. Being the premier institution of financing to tourism projects its thrust remained on overall development of the tourism industry. In the year 2013-14 and 2014-15 amount sanctioned to the projects for expansion and renovation purpose (table no.2) was 54.60% and 49% respectively while on the other hand in the year of 2015-16 and 2016-17, TFCI shifted its focus on new projects and sanctioned 73.36% and 63.27% respectively of the total amount sanctioned which justify the intention and commitment of the institution towards the overall development of the tourism industry. Another feature of its working is that more than 90% of its sanctioned amount has been given in the form of Rupee Loan which also strengthens the liquidity position of the tourism industry.

CONCLUSION AND SUGGESTION

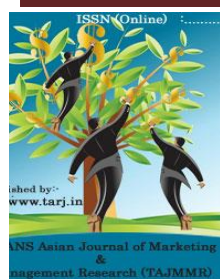
Tourism industry has emerged as one of the key drivers of growth among the services sector in India. As one of the World's economic sectors, Travel & Tourism creates jobs, drives exports, and generates prosperity across the world. In India nature-based tourism is an important channel for redistributing resources from countries who demand higher nature based vacation to developing countries. India offers lots of places unexplored yet safe for ecotourism. Year 2017 has been declared "International Year of Sustainable Tourism for Development" by the United

Nations. The International Year provides an enormous opportunity to further showcase the tremendous economic, social, and cultural, environment, and heritage value that the sector can bring. But all is not well in developing countries like India for tourism development. These developing countries are facing more serious problems like rapid population growth, debts, over-exploitation of wild resources, agricultural expansion, deforestation and more serious one is terrorism etc., which result in the loss of valuable biodiversity and degradation of national parks and loss of faith among tourist specially foreign tourist. It is suggested that government should formulate and implement an effective and multipronged policy addressed to the various aspects of tourism for the protection of this important industry. Terrorism needs special attention, as it is destroying the momentum of tourism in our country especially for foreign tourist. Though our government is very serious on terrorism and has taken or still taking strong steps against terrorism for the peace in the country as well as development of the tourism industry. As far as TFCI is concerned being the premier institution for financing to tourism industry it is clear from the above discussion that since its inception TFCI Ltd. has been trying to strengthen the foundation of the tourism industry in India. But much remains yet to be done. Earning pre-supposes investment. Enough funds should be earmarked for the promotion of the industry so as to yield viable results. The potential is there. It is waiting to fully exploit.

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AGRICULTURAL MARKETING OF SOYABEAN IN MADHYA PRADESH (A STUDY OF SOYABEAN PROCESSORS ASSOCIATION OF INDIA –SOPA)

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ABSTRACT

Like China, India also has a very old history of soya bean production. Today in soya bean production India ranks fifth in the world. The importance of soya bean crop and its production has been growing since its cultivation began in India and is still growing. Since 1972, there was a 45 fold increase in area and soya bean production in Madhya Pradesh. Madhya Pradesh has come to be known as the Soy state, in view of rapid developments which the state has experienced. Soybean was first introduced to the Indian states of Uttar Pradesh and Madhya Pradesh. The main reason for this was that in these states, during the Kharif season cultivated land was left fallow in order to preserve moisture for the Rabi season (October to March). The fast – maturing varieties of soybean introduced did not affect the sowing of a second crop in Rabi. Soybean has helped India as well as Madhya Pradesh in earning and collection of foreign exchange. Numerous interconnected activities are involved in agricultural marketing, as the product moves from the farm to the consumer. Such as planning production, growing and harvesting, grading, packing, transport, storage, agro- and food processing, distribution advertising and sale. The Government of India launched the Technology Mission on Oilseeds (TMO) in May 1986 and also started the Oilseed Production Thrust Project (OPTP) in 1987. The main goal was to increase the production of oilseeds by increasing the area of cultivation and the transfer of yield increasing technology. Along with this marketing and price support were also extended to oilseeds. The research aims to study the role played by SOPA in marketing of soya bean.

KEYWORDS: *Soya Bean, SOPA, Cultivation, Soy State, Agricultural Marketing,*

1.0 INTRODUCTION:

Area of soya bean production in India has increased tremendously over the years. The cultivated area started from just 30,000 ha in 1970 to 9.30 million ha in 2010. The crop qualities are suitable for modern style of cropping. Soya bean products have high consumption value and they also ensure higher margins to farmers who cultivate them. In the last few decades Soya has become a cash crop in India. With increasing price of other edible oils in India the demand for soybean has shot up to a large extent. To meet this increasing demand it has become necessary for the farmers and government of our country to increase the production in India. India is producing the meals which has good growth potential in the domestic consumption and have a high demanding export market. The price of the Soya and its by-products depends on the domestic crop output, global demand and supply scenario and international prices. The farmers in India are provided with institutional support in the form of few organizations like SOPA (Soybean Processors Association of India), DSR (Directorate of Soybean Research) and ASA (American Soybean Association). India being a major producer of soya and soy products, faces many challenges and needs to take up measures to enhance soybean production.

Agricultural marketing performs the functions of transferring agricultural products consisting of farm, horticultural and other allied products from producer to consumer. It also looks at supply of produce from rural to rural and rural to urban and from rural to industrial consumer.

Market information is an important function in the agriculture marketing system. It fastens the marketing decisions, regulates the competitive market process and simplifies marketing mechanisms. It is a means of increasing the efficiency of marketing system and promoting improved price formation. It is very crucial for the farmers to make timely decisions about what to grow, when to harvest, to which market produce should be sent and whether or not to store it.

2.0 RESEARCH METHODOLOGY:

Following points highlights the need of the study

- To suggest methods for improving the yield and productivity of soya bean
- To understand the problems faced by SOPA and give suggestions
- To make India leading producer of soya bean

Objectives:

- To study the growth and current scenario of soya bean in the region.
- To study the different functions performed by SOPA in production, procurement and processing of soybean.
- To study the functions of agricultural marketing and the problems associated with soya bean marketing

3.0 LITERATURE REVIEW:

Though very little work has been done in the field of soybean marketing. Soybean is an oilseed crop, therefore, some of the important and relevant studies in the field of marketing of oilseed crops has been taken into consideration.

Raju and Kakadia (1984) studied marketing of groundnut in Rajkot district observed that in the marketing of groundnut regulated markets were the important market channel followed by co-operative societies and village merchant. The correlation coefficient between monthly prices and arrivals was found negative indicating a definite inverse relationship that is groundnut arrival increase prices decrease and vice-versa.

Acharya and Agrawal (1989) studied agricultural marketing in India and observed that the marketing margin of middleman's share is relatively large and the farmer's share is small for those commodities which undergo elaborate processing operation i.e. cotton, oilseeds and paddy. It is further observed that higher volume of marketed surplus tends to decrease the assembling cost thus reducing the marketing cost per unit of product.

Shrivastava (1996) studied the marketing problems which he encountered during the study. The following important marketing problems were identified by him (1) lack of storage facilities (2) Poor quality of produce due to poor retting facilities (3) variations in the quality of production of jute fiber (4) transportation bottlenecks and (5) absence of organized market, market intelligence and market prices. It Bana far (2002) identify the three marketing channels in the marketing of soybean in Sehore district of M. P. viz., channel I producer --> village merchant --> wholesaler dealer --> processor --> refiner --> wholesaler dealer (oil) --> retailer (oil) --> consumer channel II producer --> co-operative societies --> processor --> refinery --> wholesaler dealer (oil) --> retailer (oil) --> consumer. Channel III Producer --> wholesaler dealer in regulated market --> processor --> refiner (oil) --> wholesaler dealer (oil) --> retailer (oil) --> consumer. Marketing cost was highest in the channel I and producer's share in consumers rupee was lower as compared to other channel'.

4.0 Brief Profile:

Madhya Pradesh is the second largest state in India covering 9.5% of the country's area. The state is endowed with rich natural resources, suitable climate and fertile agro climatic conditions. The economy of the state is largely agrarian, employing 77% of the total work force and contributing 40% to the State Domestic Product. **(This report is in accordance to the survey report released by the State's Finance Minister).**

TABLE-1
GLOBAL SOYBEAN AREA, PRODUCTION AND PRODUCTIVITY DURING 2009 – 10

| Country | Area (Million Ha) | Production Million ton | Productivity Kg/ha |
|---------|-------------------|------------------------|--------------------|
| USA | 30.92 | 91.47 | 2960 |
| Brazil | 23.10 | 65.00 | 2810 |

| | | | |
|--------------|---------------|---------------|-------------|
| China | 8.80 | 14.50 | 1650 |
| India | 9.60 | 8.80 | 920 |
| World | 101.81 | 253.38 | 2490 |

Source: FAOSTAT, 2010 (<http://faostat.fao.org>)

Madhya Pradesh has 11 agro climatic zones and it is first in producing soybean, pulses, grams and garlic. The State is leading in textile manufacturing, automobiles, food processing, soya processing, engineering and agricultural equipment manufacturing. State has witnessed significant growth in large and medium industrial sector. The state is the largest producer of oil seeds wheat, soybean, sugarcane, rice, cotton, rapeseed, mustard and arhar. In the year 2006 – 07, Madhya Pradesh was the largest producer of pulses, oilseeds and soybean in the country.

TABLE-2
SOYABEAN PRODUCTION IN DIFFERENT STATES, THE AREA SOWN, EXPECTED YIELD, AND ESTIMATED PRODUCTION

| S.No | States | Kharif 2017 | | |
|-------------|----------------|-------------|----------------|----------------------|
| | | Sowing area | Expected yeild | Estimated production |
| 1. | Rajasthan | 9245 | 825 | 7628 |
| 2. | Madhya Pradesh | 50100 | 905 | 45356 |
| 3. | Maharashtra | 34484 | 925 | 31895 |
| 4. | And hrapradesh | 1652 | 840 | 1388 |
| 5. | Chattisgarh | 1320 | 860 | 1135 |
| 6. | Gujarat | 1290 | 905 | 1167 |
| 7. | Karnataka | 2710 | 840 | 2276 |
| 8. | others | 0760 | 800 | 0608 |
| Grand Total | | 101561 | 1900 | 9145 |

Area in Lakh Ha., Yield in Kg Per Ha. Production in Lakh MT

Source: SOPA Databank-

Madhya Pradesh share in soya bean production being 5.51 million ha. This state has come to be known as the Soy state. The main reason for this was that in these states, cultivated land was left fallow during the Kharif season in order to preserve moisture for the Rabi season (October to March). Initial expansion of soya bean was limited to Madhya Pradesh which later spread to cities of Maharashtra, Andhra Pradesh and Karnataka. The rapid expansion in area under cultivation of soya bean, made it the number one oilseed crop in India surpassing groundnut and mustard besides, India becoming the major soya bean growing country in the world. Madhya Pradesh being the largest producer of soybean in India, earns valuable foreign exchange for the country as well.

The Soybean Processors Association of India, popularly known as SOPA, is the only national level body representing the soybean processors, farmers, exporters and brokers in India working towards the aim to strengthen soybeans as a viable crop. SOPA works towards encouraging the

development and promotion of Soy-Based products in the interest of the farmers as well as the processors. It was discovered that the soil and climatic condition of Madhya Pradesh was best suited for cultivation of soybean. Since then the journey of soybean industry started in M.P.

The major use of soybean was done particularly for production of edible oil. In the early 1970s, prices of edible oil in the domestic market rose sharply. Beginning in 1976 – 77, India had to increase the import of edible oil and from 1977 – 78 to 1987– 88 imports constituted about 30% of the total availability of edible oils in the country. Between 1981 – 82 and 1987–88, India imported about 44% of the domestic production of edible oil. At this time soybean cultivation was being launched in India. It was also observed that since the launch of the TMO in 1986 –87 up until 1996 – 97, oilseed production performed much better than cereals, which were considered the best success story of the green revolution in the country.

On the other hand, liberalization of trade in 1992 accompanied by a devaluation of the exchange rate created a favorable environment for agricultural exports. The production of soybean could not be confined as any other agricultural crop because processing of soybean could result in many products including edible oil. Soybean industry is an industry which uses soybean as raw material and produces varieties of products like soybean oil, tofu, soymilk, soy flour, soy grits, textured soy protein, soy cheese, soy fiber and many more.

5.0 ESTABLISHMENT OF SOYA PLANT

The first soybean processing plant was set up by the Ruchi Group of Industries with the name Ruchi General Foods Pvt.ltd. since then many big groups like Prestige, Vippy, Premier, Dewas Soya etc. started their plants. Initially it was around 105, at present there are some 60+ plants registered with SOPA. Over the years the production of soybean has increased to a large extent but the number of plants has gone down because many old plants shut down.

5.1 Soya bean Process:

Soya bean process involves threshing and transport⇒drying ⇒cleaning ⇒packing and storage. Soya bean processes uses-meal and oil processing.

The crushing capacity of the processing plants is much more than available raw material because soybean is a Kharif crop and sown only once in a year and the yield is yearly. The raw material or the soybean seed available to the processing plants are utilized and crushed within few months because the demand for soy bean products especially the soybean oil is too high. In addition to domestic consumption, the products are also exported. In case of Soya processing industry some pre treatment of raw material has to be done. They are as follows:

Raw material selection ⇒cleaning ⇒drying and storage ⇒maturation ⇒ cracking and dehulling-tempering /conditioning ⇒ flaking

5.2 Marketing:

It is well known that India is an agricultural country and one third population depends on the agricultural sector directly or indirectly. Indian agricultural contribution to the National Gross Domestic Product (GDP) is about 25%.With much emphasis been laid on commercializing of agricultural production marketing becomes indispensable for soybean. Moreover, soybean being

both agricultural as well as commercial crop. both agricultural and commercial marketing applies to soybean. Marketing has to be customer-oriented and requires those involved in marketing chains to understand buyer requirements, both in terms of product and business conditions and provide the farmer, transporter, trader, processor, etc. with a profit.

6.0 Agricultural Marketing In India-Challenges There are several challenges involved in marketing of agricultural produce. In India farmers have limited access to the market information, their literacy level is low, and multiple channels of distribution eats away the profits of both farmers and consumers. The government funding of farmers is very less and most of the small farmers still depend on the local moneylenders who charge extremely high rate of interest. The technologies have improved but it has not gone to the rural levels it is confined to urban areas alone. There are several loopholes in the present legislation and there is no organized and regulated marketing system for marketing the agricultural produce. The farmers have to face so many hardships and have to overcome several hurdles to get fair and just price for their sweat.

6.1 Major constraints in the low productivity of Soybean in Madhya Pradesh:

It is known that the India's productivity is less as compared to many countries in the world. The major constraints are as follows,

- The amount of rainfall during monsoon and its distribution during soybean growing period creates lots of problems. Overcast days of the monsoon and **early end of monsoon** also create problem.
- **Inefficient nutrient management** and unbalanced use of chemical fertilizers ,lack of use of micronutrients, Integrated Nutrient Management (INM) not adopted and **Inefficient use of natural resources. Inaccessibility of inputs** such as seed, fertilizers, pesticides
- The soybean crop is often highly infested with weeds which at times reduce the yield by 50to 60 percent. The soybean crop is often affected by **disease** .The farmers rarely make use of any plant protection measures.
- The **rate of seed replacement is low** and even the adoption of improved varieties is meager.
- Much of the land suitable for cultivation in MP is left uncultivated during the Khariff season because of water logging. **Water logging** in low lying fields leads to stunted growth and nitrogen deficiency. Often soya bean sowing is done hurriedly as them on soon sets up without the desired level of cultivation.
- Many farmers are **unaware of the latest practices** and still sown by primitive methods
- **Pre –monsoon sowing** must be avoided as soils moisture is insufficient and thus germination is reduced, and the delayed sowing also reduces the oil and protein content of soybean besides yield reduction.
- Another problem confronted is **pre-matured or delayed harvesting**; moreover machine harvesting is also not possible due to water logging.
- **Meager credit facilities** are extended by the government to the small farmers for appropriate investments in their farm equipments.

6.2 Problems faced by the Soya processing industry in Madhya Pradesh

- **Poor capacity utilization** .As it is an agro – based industry so it is almost impossible to plan production due to **irregular supply of raw material**.
- The **period** of soybean availability is very **short**. There is **lack of timely and adequate supply** of soybeans of requisite variety and quality.
- **Technical guidance** available with regard to post harvest handling of soybean is very **less**. Additionally the technical awareness for minimizing spoilage and losses is also less.
- **Pest and quality problems** in soybean apart from high prices problems in procuring the raw material are also there.
- **The cost of other inputs** like fuel, power, transportation and packaging material is high making cost of production to risk.
- The industry faces **unduly high burden of taxation** like sales-tax, oct roi, customs duty etc. **High import duties** have to be paid on the import of plant and machinery, spare parts and on certain other inputs to industry.
- The **advertising and promotional measures** to increase the sales are also a **weak points** of the industry.
- The industry **lacks the support of proper and adequate infrastructure** such as post harvest handling, treatment facilities and storage facilities
- **Lack of awareness among the general public** belonging to all classes, ages and groups about the value and role of soybean and its products as indispensable part of daily diet, in providing vitamins, minerals and proteins.
- **Heavy and cut throat competition** in export and international market of Argentina, USA, Brazil. The exporters of these countries offer the soya products of high nutritive value at very cheaper rates as compared to Soya processing industry in India & M.P. to the world market.
- **Unpredictable export market** resulting in lack of sustained and dependable demand.
- The **domestic demand** for soya products is **inappropriate**. Consumers are not aware of benefits and nutritive value of soya products. Due to lack of demand in domestic market the industries are not motivated to improve their productivity. The **prices of soya products** are very high in India. This is due to low productivity by both farmers and industries.
- **Duty free import of crude oil** has put tremendous pressure on the price front. Margins are water thin.
- Industry **operates under high speculation mode** due to numerous domestic and global factors.
- **High end technology** for value added soya food products currently is **not available** to this industry.
- The **Government too is not taking proper initiatives** to boost up exports of soya products.

7.0 Reforms in agricultural marketing:

- Provision of loans to the farmer at low rate of interest so that they can freed from the clutches of local moneylenders. It is said that farmer in born into debt, lives in debt and dies in debt. Right from the beginning of the life, the poor farmers approach money lenders who levies

very high rate of interest and takes away the maximum share from the produce. The situation is even worse during natural calamity.

- Provision of subsidized power supply and loans to the farmers as the expenses towards power consumption is considerably high.
- Generation of a new distribution network connecting the farmers directly to the consumers to get maximum returns instead of present multiple level distribution channel.
- Stringent action against black marketers and hoarders who buy the stocks from farmers at cheap prices and create artificial demand and then sell the stocks at higher prices.
- Creating local outlets at each village where the farmers sell their stocks directly to the consumers or the authorized buyers at fixed prices would help to a great extent. Government intervention in this network is essential to bring the fruits to the farmers.
- Provision of counseling centers for farmers, at village level, to educate them about the worth of their stocks so that they can get fair price. The crucial role of Non-Governmental Organizations (NGOs) is needed in this context.
- The present outdated legislations should be updated forthwith with the changing trends and technological inventions
- The retail revolution has brought several changes in the retail sector where the retail giants buy in bulk directly from the suppliers and sell to the consumers directly and in this process they pass the benefits to the consumers as well. In the past there were many channels of distribution system and now the consumers pay less for more.
- The government is already fulfilling the objective of providing basic food commodities at reasonable prices through the Public Distribution System . And the same needs to be strengthened across the country.
- Government should levy single entry tax instead of levying multiple entry taxes either directly or indirectly for the transactions and activities that are involved in agricultural marketing such as transportation, processing, grading etc., as it would benefit both farmers and consumers directly.
- Direct marketing of the agricultural produce is the need of the hour. Efforts may be made to provide facilities for lifting the entire stock that farmers are willing to sell with incentive price.
- Provision for storing the stocks such as god owns and warehouses. It helps the farmers to hold the stocks till the prices are stabilized.
- To avoid exploitation and malpractices prevalent in the present system The farmers need to be educated regarding the prices prevailing in the market
- There should be all-round rationalization and standardization of the prices through legislative means. Presently there is vast gap between the marketing strategies of agricultural produce in India and abroad and the same needs to be bridge.

- There is need to set up marketing committees which has the representation of growers, merchants, local bodies, traders and nominees from the govt. There should be collective and integrative efforts and energies from all quarters for ensuring just price for farmers.

7.1 SOLUTIONS:

- Indian Soya products should be **made even more available on the supermarkets** shelves so as to create awareness among the customers regarding its uses.
- **De – fatted soy flour based soy food** such as Soya – for tifie datta, Soya be san, Snack food etc. should be **emphasized** along with tofu (Soy paneer) and soymilk.
- Soy based foods must be **promoted in Pradhan Mantri GramodayYojna (PMGY) and Integrated Child Development Services (ICDS)** as well as in Credit Lines given by Government of India to various under developed countries
- **The packaging costs of soy products should be minimized** and soy products should be made consistent with the Indian palate, so that soy food can be embraced by the Indian population.
- Industries should **club up and jointly advertise** and promote the soya products in international market.
- Soya Processing Industry should be **treated as a high priority industry** and as an export oriented industry, providing it with all vital inputs including finance at affordable prices, and other important necessities.
- **Using print and electronic media**, to increase public awareness of the health and nutritional benefits of Soy, particularly that soy food are inexpensive and can help to eliminate both malnutrition and chronic diseases associated with over nutrition. Assuring the public that soy is safe. **Publicizing** that soy based foods are most effective in alleviating malnutrition among children, lactating and expecting mothers and it is of significant value in minimizing low birth weight of children in the country
- Industrial licensing and registration policies should be regulated so as to **prevent sickness** at all the sectors of Industry.
- **Infrastructure facilities** needed for post harvest handling, storage and transportation should be provided at affordable cost.
- **Research and Development** in the field of developing soy bean varieties should be encouraged so as to get higher yield with quality product.
- **Product promotion and Marketing** of the processed products to be undertaken in the domestic and export markets on a massive scale and full financial support should be provided by the government.
- The incidence of **all kind of taxes**, duties and other levies should be **minimized** and reduced to levels which the industry can bear. **Import duty** on import of modern plant and machinery should be **reduced**, so that quality product can be produced and its cost be reduced so as to become competitive in world market.
- The **genetic base** of Indian soybean varieties should be **broadened**. All possible aid and encouragement should be extended to the industry to **modernize its management techniques** and systems and to carry the industry forward into the 21st century.
- The Government should **give a special place to soybean** in its agriculture policy.

- The Government should take up measures for the **proper distribution of the seeds** needed for cultivation. In addition to this efforts should also be made so that the fertilizers and insecticides are made available to the farmers.
- **Special training** related to latest cultivation and harvesting techniques must be given to the farmers. For this, the State Department of Agriculture needs to take up extra efforts.
- All **possible aid and encouragement** should be extended to the industry to modernize its management techniques and systems and to carry the industry forward into the 21st century.

7.2 GENERAL SUGGESTIONS:

- To minimize the cost of production and the incidence of non-availability of raw material, **farmers should be given contract** for their raw material that is the soybean seeds, both the farmer as well as the companies would be benefitted by doing this
- Keeping in mind the **condition and the requirement of the industry** the Government should **determine the Minimum Support Price** of the Soybean seed. There should be a balance between the Agricultural and Industrial Policy of agro-based industries.
- The Government of Madhya Pradesh is **more concerned about the farmers** and it can be noticed that this concern sometimes proves **non-beneficial for the industries**. For example, if the price of soybean seed is kept high the farmers would gain but the industries would be at loss and the consumers also would suffer. If the price of seed is high, the cost of raw material and the cost of production would increase and in turn the price of the finished goods would also increase. If the prices are high then it becomes very difficult to compete in the international market.
- There are many other products that can be manufactured out of soybean seeds; this also includes value-added soy products. The companies should resort to production of such soy products which can be easily exported. This would make their financial condition better. The Government should make a **separate policy for the Soya Processing Industry** because this industry has a very bright prospect and immense potential.
- There is no **export incentive given by the government** to Soy Value Added Products, this leads to higher prices in the international market. Therefore a specific percentage of incentive should be made available to soy products exporters to make the price competitive enough in International Market.

8.0 CONCLUSION:

Sincere efforts needs to be taken to remove the anamolies associated with the industry and also the farmers so that India becomes world leader in the production of soya bean production.

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