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DIGITAL MARKETING TRENDS IN INDIA

Mr. T.Shyam Sunder, Assistant Professor
Department of Management,
Aurora's P.G. College, Ramanthapur, Hyderabad

ABSTRACT

Marketing is at the core of all business activities. Without marketing, organizations cannot sell and without sales there is no revenue and without revenue people cannot run business. The Digital marketing is a very diverse marketing platform used by most business for marketing all types of products and services. Digital marketing includes social marketing, word ads, banner ads, video advertisement etc. At this juncture, forecasting, analyzing and implementing the innovative digital marketing trends would be the right choice for success of any business amid the cut-throat competition.

Key words: Digitalization, Consumer behavior, digital marketing

INTRODUCTION

Digital Marketing has become an essential trend for all the companies to market their products and services. Now with increasingly local search and people's new habit of searching on the Digital tools has been leading to developing an innovative digital marketing in today's wired world, it's impossible to overstate the importance of digital marketing to the success of your business. Strong, successful companies are carving out virtual space to respond to customers, to create connections with industry leaders, and to tell the story of their brand in a creative, genuine, and visually-engaging way. Digital marketing offers the invaluable opportunity to assess which elements of your strategy are working - or bombing - in real time. Simple new digital marketing techniques give every company - be it a four person startup or a multinational corporation - the chance to make an impact online.

NEED FOR THE STUDY

Whether it is a product or a service, the business people cannot just under estimate the power of digital marketing. The current age where we live, it is fully dedicated to digital media and the techniques or tools which are continuously offering better services to the customers are also emerging every day. In this context there is a need to study the emerging trends in digital marketing which influences the consumer behavior.

OBJECTIVES

- The main objective of the study is to focus upon the trends in Digital Marketing
- To Highlight the innovative techniques of Digital marketing
- To identify the changing consumer behavior, needs and wants with the advent of digital marketing trends.
- To understand various strategies that markers need to adapt in context of changing consumer behavior.

METHODOLOGY

The present study is descriptive and required data has been collected mainly from secondary sources by referring to various articles, journals, textbooks, websites etc.

TRENDS IN DIGITAL MARKETING

The emerging trends in digital marketing which helps in developing consumer- based business are as follows:

1. Mobile Marketing

Mobile devices have phenomenally risen to prominence in the past few years and a surprisingly large number of businesses in India are not prepared for the mobile market. Their websites are not mobile ready, nor do they have any apps to engage with their customers. As a result, there's a huge gap between the demand and availability of mobile marketing skills and to succeed, digital marketers of the future need to learn it real fast.

2. Content Marketing

When someone says, "Content is king", they are not lying. Everything is content – images, blog posts, eBooks, infographics, videos – everything. Good content isn't easy to get and it does not always come cheap. When done right, content marketing can help increase engagement, SEO, leads and ultimately sales in a big way.

3. Conversion Rate Optimization

Conversion rate optimization (CRO) is one of the least studied topic in digital marketing. It helps you test different versions of a web page to find out which version works best to draw attention of your audiences. In other words, it is the web version of the software A/B testing theory. If you truly want to be the most effective digital marketer, you need to learn how to start doing this more often.

4. Search Engine Optimization

The basics never go out of fashion. And in the case of digital marketing, search engine optimization (SEO) will never be an outdated skill to possess. It is extremely important for digital marketers to know exactly how elements of SEO like title tags, Meta description, and keyword density can benefit search rankings of their organization's web presence.

5. Search Engine Marketing With Google AdWords

A digital marketer is incomplete without search engine marketing (SEM) skills and SEM is incomplete without Google AdWords. It is the essential component in reaching out to a highly targeted set of audiences. It can be quite complicated for a novice and can turn out to be really expensive if done wrong. But when done right, it is the most reliable way to drive highly targeted traffic, get relevant leads and generate sales effectively from digital platforms.

6. Facebook Advertising

Facebook advertising today is just as important as Google AdWords. Facebook's sheer size makes it an essential component in any digital marketing strategy. Not only that, Facebook has the capacity to drive traffic that is just as relevant for any business as Google. And just like Google AdWords, it takes a while to understand how it works and how to leverage its full capacity for your benefit.

Innovative Techniques of Digital Trends

New marketing tools and techniques of digital marketing are presented here.

1 Content marketing techniques

Content marketing is essentially storytelling for the brand. "Content" can be virtually anything with a clear message: a series of attention-grabbing images, videos, blog posts, or news items. Content marketing differs from traditional marketing tools in its resistance to overt calls-to-action or purely product- or service-based ads. Good content is original, dynamic and shareable. Truly effective content marketing uses an accessible voice to tell genuine stories that gain the trust of the consumer and build a positive reputation for the brand.

2. Tools for social networking

Social media is one of the best marketing tools for humanizing brand and connecting with customers in real time. A strong digital marketing strategy incorporates all social media forums appropriate to organization, including Facebook, Twitter, LinkedIn, Google+, and Instagram. These tools have different purposes: Twitter has become a virtual telephone, a way for customers to lodge complaints or ask questions, whereas image-driven social media - such as Instagram is a great way to get viral with visual storytelling. It's also vital to stay connected to new trends, such as LinkedIn's recent influencers program, which promotes industry insiders as thought leaders and offers them a forum to share wisdom.

3. Go mobile

Many marketers are now taking mobility a step further by using location data gathered by customer check-in tools like Foursquare or Facebook, or data provided by Adwords and GPS, to target marketing campaigns and build an ever more complete picture of who customer is, where they go, what they want, and when they want it. Understanding the context of customer's desires and behavior is key to target offerings to maximize what is actually needed. These mobility marketing techniques allow companies to work outside of the in-office "vacuum."

4. Retargeting

Retargeting (or remarketing) tracks customers through cookie placement and continues to show them ads for products they've viewed in the past across a network of websites. Retargeting is a simple, powerful way to keep brand and product in the minds of potential customers and requires little effort on the part of the company. As the technology for retargeting improves, flexible brands will stay on top of the trend to find ever more organic ways to raise brand profile.

5. Community building

The common thread in these best new digital marketing techniques is the need for brands to cater to the desire of consumers to be seen as individuals, and not just as a number. Consider the recent viral WestJet campaign that secretly fulfilled fliers Christmas wishes. Brands need to prove a genuine interest in the personalities of their dynamic customer base and to treat communication as a way to build an authentic, like-minded community.

Digital Marketers strategies adopted to meet consumer needs

Modern digital customers know what they want and have high expectations for how they'll receive it. Marketers have all of the tools they need already to deliver on successful digital marketing strategies — just as long as they remember to put themselves in the consumer's shoes. The strategies are as follows.

Respect The User's Options

1. Another thing that will come to light when marketers switch their perspective is that it's far easier than ever before for customers to explore alternatives to meet their needs.

2. The best bidding and targeting strategies will get potential customers to your website, landing page, Facebook page and so on. For CMOs, the focus from there needs to be answering why prospective customers may be bouncing from a site so soon after landing on it. By putting too many obstacles between the gateway of the site and the ultimate transaction, businesses are only dissuading the customer at every step from seeing the sale through.

3. Customers today have options — and this ever-growing number of options are easier than ever to access. Unnecessary friction in the post-acquisition experience will lead to a lot of investments going for naught.

Focus on Key Areas and Investments to Drive Engagement

1. Making the customer journey more engaging isn't easy, especially at a time when digital marketing spend can go in so many different directions. This requires CMOs to be strategic — and in some cases quite innovative — about where to put their marketing resources.

2. By viewing the strategy from the customer's perspective, smart investment areas should become abundantly clear in no time. Recognizing and investing in areas that help your customers feel as though their opinions matter will help build brand loyalty. Allocating a member of the team to focus on key areas you've identified as priorities is worth the investment in that case.

3. For example, most consumers feel engaged when they think their opinions are being heard and considered (because of this, brands often use social media-driven customer service to respond to concerns in real time). The digital age gives customers a wealth of opportunities to voice their opinions, and marketing teams and CMOs must listen to acquire insights into their buying experience.

4. A crafty CMO, therefore, will see that customers are already producing content that, once responded to, will help build relationships that lead to a sale. Rather than generating an impersonal, potentially costly ad campaign, marketing teams can put resources toward interacting with user content that speaks to the individual client personally, as well as a larger audience researching a brand.

5. This is an innovative approach to driving engagement that marketing teams have only recently been able to really hone. Customers will understand that their voices aren't falling on deaf ears as their input is actually helping to dictate the direction of the marketing team.

6. Rather than just being a dollar value to the company, consumers will look at themselves as part of the team — and the CMO will hopefully see more leads by changing up their approach.

Every Campaign Starts With A Checklist

1. But no marketer can completely inhabit a potential customer's frame of mind without taking steps to get to know them, not just as a demographic, but in some cases, on a personal level. This requires a checklist that is centered on gaining customer familiarity.
2. For starters, a strategy must utilize data to track both analytics and specialized KPIs (key performance indicators) that give insight into specific engagement variables. Looking at behavior, experience and past engagement will highlight areas of success and failure.
3. From there, all of the technology that supports the strategy needs to be synchronized and maintained. Usability, attribution and data visualization are only a few of the tech silos that need to be accounted for and aligned to focus on the customer experience.

CONCLUSION

Finally, a process must be put in place that can regularly improve digital engagement. The growing consumer behavior change as well as the innovative digital marketing trends is an un-ending process. An enhanced global outlook will foster a richer understanding of the dynamics of consumer Behavior and improves consumer loyalty.

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TRENDS IN CAPITAL MARKETS AND FINANCIAL INNOVATIONS

CH. Swathi, Research Scholar,
Osmania University, Hyderabad.

ABSTRACT

A capital market is a place where both government and companies raise long term funds to trade securities on the bond and the stock market. It consists of both the primary market where new securities are issued among investors, and the secondary markets where already existent securities are traded .Financial innovation has been one of the determinants of the growth of trade in financial services, notably the cross-border supply of these services. Consolidation through mergers and acquisitions particularly in the banking sector has boosted cross-border trade in financial services. Financial innovation is a continuous, dynamic process that entails the creation and subsequent popularization of new financial instruments, as well as new financial technologies, institutions, and markets. Financial innovation has experienced steady growth in the last decades and has arguably transformed the once relationship-focused financial intermediaries. With the advent of technology and deregulation of capital market there is a huge scope for bringing in innovative financial products in the Indian capital market. Indian capital market is largely characterized by the equity market with debt market and derivatives market lurking far-behind. This paper attempts to suggest a few of the innovative products that can be introduced in equity market (IDR, non-voting shares, debt and equity swaps), debt market (inflation linked bonds, junk bonds, specialized debt funds for infrastructure etc.), mutual funds and derivatives (carbon emission index and futures, weather derivatives, credit linked deposits, etc.). It also talks of the new pension scheme (NPS) as an innovative financial product meant for the Indian capital market. All these products or any other product, for that matter, would be beneficial only if it reduces cost, brings transparency and leads to optimal utilization of resources. Thus innovationis the call of the Indian markets but needs to be applied cautiously.

Key words: Indian Depository Receipts (IDR), junk bonds, New Pension Scheme(NPS),Securities.

INTRODUCTION

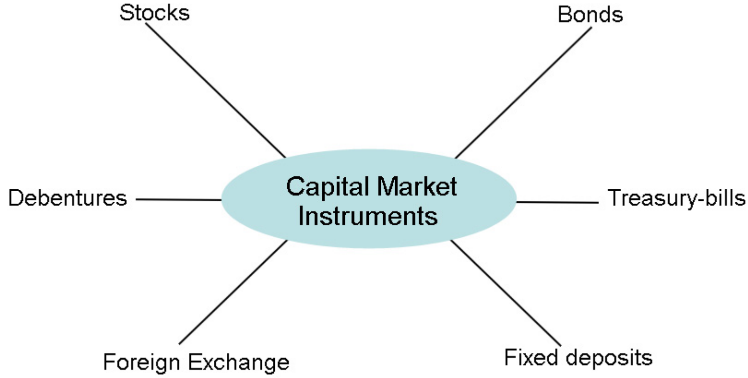
Financial innovation has come under significant scrutiny over the past years, and nobody can argue that certain financial innovations went badly areas where ‘positive innovation' can provide opportunity are: financing and growing the private economy; promoting inclusiveness; increasing efficiency, access and the customer experience; and rebalancing risk across sectors of the economy. Nevertheless, innovation, almost by definition, introduces uncertainty which gives rise to unintentional negative outcomes. Given the financial sector's relationship to the rest of the economy, it is vital that the likelihood of negative outcomes with widespread consequences is reduced. Yet, the dynamics of the sector and of innovations themselves make it impossible to reliably predict negative outcomes for individual innovations. However, enhancements to existing governance procedures, by adapting existing risk management mechanisms and other processes, can increase sensitivity to the specific contribution of innovation to uncertainty and risk. A major feature of this process has been the introduction of a wide variety of new products that trade in new market settings, thereby reducing the reliance upon banks for traditional credit instruments and credit evaluations. Many of these new products (e.g., Currency and interest rate swaps, currency and interest rate options) are of obvious assistance for risk management purposes-to enable the individual or firm to tailor the various dimensions of risk (e.g., Currency, maturity, credit, interest rate, default, and so forth) more precisely than before.

Within the financial sector, the term "financial markets" is often used to refer just to the markets that are used to raise finance: for long term finance, the Capital markets; for short term finance, the Money markets. Another common use of the term is as a catchall for all the markets in the financial sector, as per examples in the breakdown below.

Capital markets which to consist of:

1. Stock markets, which provide financing through the issuance of shares or
2. common stock, and enable the subsequent trading thereof.
3. Bond markets, which provide financing through the issuance of bonds, and enable the subsequent trading thereof.
4. Commodity markets, which facilitate the trading of commodities.
5. Money markets, which provide short term debt financing and investment.
6. Derivatives markets, which provide instruments for the management of financial risk.[1]
7. Futures markets, which provide standardized forward contracts for trading products at some future date.

8. Foreign exchange markets, which facilitate the trading of foreign exchange.



The capital markets may also be divided into primary markets and secondary markets. Newly formed (issued) securities are bought or sold in primary markets, such as during initial public offerings. Secondary markets allow investors to buy and sell existing securities. The transactions in primary markets exist between issuers and investors, while secondary market transactions exist among investors. Liquidity is a crucial aspect of securities that are traded in secondary markets. Liquidity refers to the ease with which a security can be sold without a loss of value. Securities with an active secondary market mean that there are many buyers and sellers at a given point in time. Investors benefit from liquid securities because they can sell their assets whenever they want; an illiquid security may force the seller to get rid of their asset at a large discount.

In this respect financial markets can be classified on the basis of the nature of instruments exchanged in the economy. On the basis of the nature of financial instruments the financial market is broadly classified as Money Market, Capital Market, derivatives market, Insurance market and forex market. In order to make a financial market more efficient and viable one, the financial system of the country plays a greater role. Financial system of a country acts as channel in efficient distribution of funds from surplus units to deficit units. Efficient Financial systems are indispensible for speedy economic development. The more vibrant and efficient the financial system in a country, the greater is its efficiency of capital formation. The process of capital formation in the country is dependent upon the investment policies and efficient operations of financial intermediaries. The financial intermediaries facilitate the flow of savings into investments by overcoming the geographical and technical barriers. As we know investment is the activity that commits funds in any financial/physical form in the present with an expectation of receiving additional return in the future. So investment is an activity that is undertaken by those who have savings. But all savers are not necessarily investors basing upon the motive behind the savings. The expectation of return is an essential characteristic of investment. In this respect the role of financial intermediaries has become immensely important, since they can help in channelizing the surplus funds from an economy to the deficit units leading to development and growth of the economy at large.

Primary Market Trends (Public & Rights Issues)

Items	Dec-15		Nov-15		2015-16$		2014-15$	
	No. of Issues	Amount (`crore)	No. of Issues	Amount (`crore)	No. of Issues	Amount (`crore)	No. of Issues	Amount (`crore)
1	2	3	4	5	6	7	8	9
a. Public Issues	8	29,120	2	231	62	42,981	49	8,749
(i) Debt	2	26,490	1	230	12	30,722	19	7,348
(ii) Equity, of which								
IPOs	6	2,630	1	1	50	12,259	30	1,401
FPOs	0	0	0	0	0	0	2	19
b. Rights Issues	0	0	1	80	9	8,631	12	2,813
Total Equity Issues a(ii)+b	6	2,630	2	81	59	20,890	44	4,233
Grand Total (a+b)	8	29,120	3	311	71	51,612	61	11,562

Notes: 1. IPOs - Initial Public Offers, FPOs - Follow on Public Offers
2. Amount raised through debt issues for the last two months are provisional.
3. $ indicates as on last day of December of the respective year.
Source: SEBI

Scope Of Further Equity Instruments

Indian Depository Receipts (IDR)

After the success of American Depository Receipts and Global Depository Receipts the Indian regulatory body, SEBI also allowed foreign companies to raise capital in India through INDIAN DEPOSITORY RECEIPTS (IDRs). IDRs can be understood as a mirror image of well-known ADRs/GDRs. In an IDR, foreign companies issue the shares to an Indian Depository, which would, issue Depository Receipts to investors in India. The Depository Receipts would be listed on Indian stock exchanges and would be freely transferable. The actual shares of the IDRs would be held by an Overseas Custodian, who shall authorize the Indian Depository to issue the IDRs. The Overseas Custodian must be a foreign bank having business in India and needs approval from the Finance Ministry for acting as a custodian while the Indian Depository needs to be registered with the SEBI.

Following rules were established by SEBI for listing through IDR:

Issuers Eligibility Criteria

- Must have an average; turnover of US$ 500 million during the previous 3 financial years. Must have capital and free reserves which must aggregate to at least US$100 million.
- Must be making a profit for the previous 5 years and must have declared a dividend of 10% in each such year. The pre issue debt-equity ratio must be not more than 2:1.
- Must be listed in its home country.
- Must not be prohibited by any regulatory body to issue securities
- Must have a good track record with compliance with securities market regulations. Must comply with any additional criteria set by SEBI

Reasons For Dormancy In Issue Of IDR

- Stringent rules set by SEBI made foreign companies stay away from Indian market. The rules were made more stringent after the Global economic crisis.
- Availability of easy funds in foreign markets.
- Rate of interest in foreign banks is also less which made them prime source of funds for companies. Uncertainty of subscription in Indian markets.

Indian companies have been highly active in foreign markets by raising funds through ADR and GDR but till date no foreign company has raised money through IDRs. Standard Chartered is the first company to allow its plan to issue IDR and has received the clearance from RBI also. The bank has yet to announce the size of the IDR issue, though the figures are expected to vary from Rs 2,500 to Rs 5,000 crore

Non -Voting Shares

A non- voting share is more or less similar to the ordinary equity shares except the voting rights. It is different from a preference share in the sense that in case of a possible winding up of the company, the preference shareholders get their shares of dividends repaid before the owners of the non-voting shareholders. The companies with the constant track record and a strong dividend history can issue these kinds of instruments. They are basically focused to small investors who are normally not interested in the management of the firm. Hence non promoting share are a good tool for the promoters of the company to increase the share capital without diluting the control. However if the company does not fulfill the commitment of higher dividend then these shares are automatically converted to shares with voting rights. Hence it is very important for the companies to assess the characteristics of future cash flow and determine whether paying a higher rate of dividend is practicable for them or not.

Debt For Equity And Equity For Debt Swaps

A debt for equity swap is not an instrument but a situation where a company offers its shareholders and creditors debt in exchange for equity or stock. The value of the stock is determined on current market rates. The company may, however, offer a higher value to attract more shareholders and debt holders to participate in the swap. Equity for debt swap is the opposite of the above process. In this swap, the creditors to the company agree to exchange the debt for equity in the business.

Debt Market

Traditionally, the Indian capital markets are more synonymous with the equity markets - both on account of the common investors' preferences and the huge capital gains it offered - no matter what the risks involved are. On the other hand, the investor's preference for debt market has been relatively a recent phenomenon - an outcome of the shift in the economic policy, whereby the market forces have been accorded a greater leeway in influencing the resource allocation. If we talk about the Indian debt market bond market has formed its own place in the financial systems. All the recent developments are accrued to bonds market in India.

Size Of Debt Market

If we look at worldwide scenario, debt markets are three to four times larger than equity markets. However, the debt market in India is very small in comparison to the equity market. This is because the domestic debt market has been deregulated and liberalized only recently and is at a relatively nascent stage of development.

Junk Bonds

Sharp movements in the Indian equity market may be par for the course. But when it comes to the market for corporate bonds, it's constantly stagnant. The reason is, we don't have a corporate bond market. But this is overwhelmingly dominated by government securities (about 80% of the total). Of the remaining, close to 80% again comprises privately placed debt of public financial institutions. An efficient bond market helps corporate reduce their financing costs. It enables companies to borrow directly from investors, bypassing the major intermediary role of a commercial bank. One of the important instruments in corporate market is Junk Bonds which could be great source of financing for countries like India where markets are not much regulated.

A speculative bond rated BB or below, "Junk bonds" are generally issued by corporations of questionable financial strength or without proven track records. They tend to be more volatile and higher yielding than bonds with superior quality ratings. "Junk bond funds" emphasize diversified investments in these low-rated, high-yielding debt issues. Thus, these are high-yielding, high-risk securities issued by companies with less robust finances.

Need For Junk Bonds In India

The major issue amongst Indian bond markets has been how companies with poorer ratings can raise funds. At times the banks and FIs are reluctant to invest in even the 'AAA-rated' companies. In fact for progress of a developing nation like India, this would give a wonderful opportunity for the smaller companies to get funds and implement their ideas. However, a proper regulatory mechanism also needs to be set-up to avoid high risk of default in the case of junk bonds.

Currently, there are only two instruments that FIIs can invest in India, i.e., equity and debt. The cap on FII debt investment varies from time to time between $1.5 billion and $2 billion. The Asset Reconstruction Company of India Ltd. (ARCIL), India's first asset reconstruction company, has vied for permitting FIIs to invest in a new instrument in India - distressed assets. ARCIL has recommended SEBI, RBI and the Finance Ministry to allow FII investment in a new category, which is neither equity nor debt but a separate lucrative instrument - security receipts with underlying distressed assets.

Proposed Junk Bond Market In India - Scenario (Optimistic & Realistic)

An optimistic scenario would be having junk bonds in the market ideally for funding by FIIs and Institutions for financing the small Indian companies. However, considering the risk associated with these bonds it might not be possible in near future because economy is still in its nascent phase and on a fast development track. So any move which is risky and can affect future inflows of foreign funds and investor confidence would not be ideal.

Securitization Of Debt

Securitization is a structured finance process that distributes risk by aggregating debt instruments in a pool, then issues new securities backed by the pool. The term "Securitisation" is derived from the fact that the form of financial instruments used to obtain funds from the investors are securities. As a portfolio risk backed by amortizing cash flows - and unlike general corporate debt - the credit quality of securitized debt is non-stationary due to changes in volatility that are time- and structure-dependent. If the transaction is properly structured and the pool performs as expected, the credit risk of all tranches of structured debt improves; if improperly structured, the affected tranches will experience dramatic credit deterioration and loss. All assets can be securitized so long as they are associated with cash flow. Hence, the securities which are the outcome of Securitisation processes are termed asset-backed securities(ABS). From this perspective, Securitisation could also be defined as a financial process leading to an issue of an ABS. A very basic example would be as follows. XYZ Bank loans 10 people $100,000 a piece, which they will use to buy homes. XYZ has invested in the success and/or failure of those 10 home buyers- if the buyers make their payments and pay off the loans, XYZ makes a profit. Looking at it another way, XYZ has taken the risk that some borrowers won't repay the loan. In exchange for taking that risk, the borrowers pay XYZ a premium in addition to the interest on the money they borrow. XYZ will then take these ten loans, and put them in a pool. They will sell this pool to a larger investor, ABC. ABC will then split this pool (which consists of high risk loans and low risk loans) into equal pieces. The pieces will then be sold to other smaller investors, (as bonds).

Mortgage Backed Securities (MBS)

A type of asset-backed security that is secured by a mortgage or collection of mortgages. These securities must also be grouped in one of the top two ratings as determined by a accredited credit rating agency, and usually pay periodic payments that are similar to coupon payments. Furthermore, the mortgage must have originated from a regulated and authorized financial institution. When you invest in a mortgage-backed security you are essentially lending money to a home buyer or business. An MBS is a way for a smaller regional bank to lend mortgages to its customers without having to worry about whether the customers have the assets to cover the loan. Instead, the bank acts as a middleman between the home buyer and the investment markets. This type of security is also commonly used to redirect the interest and principal payments from the pool of mortgages to shareholders. These payments can be further broken down into different classes of securities, depending on the riskiness of different mortgages as they areclassified under the MBS. However, the long-term tenure of MBS and the lack of liquidity in the secondary market discourage investors from getting actively involved in the market.

Pension Funds And Retirement Schemes

International experience shows that pension funds have indeed provided the much-needed boost to the development of corporate debt markets both in terms of demand for corporate bonds as also liquidity apart from improving the market microstructure. Pension funds have also been major stimulators of financial innovation as they have directly or indirectly supported product innovation by supporting the development of asset backed securities, structured finance, derivative products and so on. Pension fund presence in the bond market is likely to increase the availability of long term funds in the market, which in turn will improve the asset liability mismatch that often arises in projects with long gestation periods.

Mutual Funds

Mutual funds are supposed to be the best mode of investment in the capital market since they are very cost beneficial and simple, and do not require an investor to figure out which securities to invest into. A mutual fund could simply be described as a financial medium used by a group of investors to increase their money with a predetermined investment. The responsibility for investing the pooled money into specific investment channels lies with the fund manager of said mutual fund. Therefore investment in a mutual fund means that the investor has bought the shares of the mutual fund and has become a shareholder of that fund. Diversification of investment Investors are able to purchase securities with much lower trading costs by pooling money together in a mutual fund rather than try to do it on their own. However the biggest advantage that mutual funds offer is diversification which allows the investor to spread out his money across a wide spectrum of investments. Therefore when one investment is not doing well, another may be doing taking off, thereby balancing the risk to profit ratio and considerably covering the overall investment.

SCOPE OF INNOVATION IN MUTUAL FUNDS

Investing In International Markets

In 2007 RBI increased the limits of international investments for individuals from $50,000 to $100,000 and for Mutual funds from 3 billion to 4 billion dollars. This has made a lot of mutual funds have offered product to Indian customers that invest abroad. Performance of some of those products is: Though some of these funds give better returns than normal domestic equity and provide better diversification but still people are reluctant in investing abroad due to following reasons:

Derivatives In India

The National Stock Exchange of India Limited (NSE) commenced trading in derivatives with the launch of index futures on June 12, 2000. The futures contracts are based on the popular benchmark S&P CNX Nifty Index. The Exchange introduced trading in Index Options (also based on Nifty) on June 4, 2001. NSE also became the first exchange to launch trading in options on individual securities from July 2, 2001. Futures on individual securities were introduced on November 9, 2001. Futures and Options on individual securities are available on179 securities stipulated by SEBI.

World Bank views on growth in Developed Countries : The recovery in major high-income countries gained traction in 2015. This has been increasingly driven by stronger domestic demand, particularly in the United States, where employment conditions are robust. In the Euro Area, credit growth is picking up and unemployment is declining. The recovery remains fragile in Japan despite substantial policy stimulus. With external demand negatively affected by a slowdown in large emerging market economies, growth forecasts across major high-income economies in 2016 have been shaded down, but growth should still show some improvement from 2015. The tightening cycle of the U.S. Federal Reserve is projected to be very gradual, while policy accommodation will likely continue in the Euro Area and Japan.

World Bank views on growth in Developing Countries : In developing countries, growth in 2015 is estimated at a post-crisis low of 4.3 per cent, down from 4.9 per cent in 2014 and 0.4 percentage point lower than projected in June 2015. In a development unprecedented since the 1980s, most of the largest emerging economies in each region have been slowing simultaneously for three consecutive years. China’s gradual slowdown and rebalancing continued in 2015, as further deceleration in sectors with excess capacity was partially offset by robust growth in services. Brazil and Russia have been going through severe adjustments in the face of external and domestic challenges. On average, activity in emerging and developing commodity exporters stagnated in 2015, as they continued to be hard hit by declining commodity prices. As a result, the contribution to global growth from these economies has declined substantially.

World Bank views on India : In contrast to other major developing countries, growth in India remained robust, buoyed by strong investor sentiment and the positive effect on real incomes of the recent fall in oil prices…. India, Mexico, and South Africa have reduced the share of their external debt denominated in foreign currency but still carry sizable stocks. As monetary policy tightens in the United States, some of these countries may be vulnerable to rollover, exchange rate, and interest rate risks.

Overview of the Global Economic Prospects by World Bank: January 2016
(Per cent change from previous year)

Real GDP Growth 1	2013	2014	2015*	2016f	2017f	2018f
World	2.4	2.6	2.4	2.9	3.1	3.1
High Income Countries	1.2	1.7	1.6	2.1	2.1	2.1
Euro Area	-0.4	0.9	1.5	1.7	1.7	1.6
Japan	1.6	-0.1	0.8	1.3	0.9	1.3
United States	1.5	2.4	2.5	2.7	2.4	2.2
United Kingdom	2.2	2.9	2.4	2.4	2.2	2.1
Russia	1.3	0.6	-3.8	-0.7	1.3	1.5
Developing countries	5.3	4.9	4.3	4.8	5.3	5.3
Brazil	3.0	0.1	-3.7	-2.5	1.4	1.5
India2 (Fiscal Year)	6.9	7.3	7.3	7.8	7.9	7.9
China	7.7	7.3	6.9	6.7	6.5	6.5
South Africa	2.2	1.5	1.3	1.4	1.6	1.6

Notes: PPP- Purchasing Power Parity, e- estimates, f- forecast

SCOPE OF INNOVATION IN FUTURES MARKET

Carbon Emission Index And Futures

We all know one issue that is troubling the whole world is global warming and climatic changes. The adverse effects of global warming on the Indian subcontinent vary from low-lying islands and coastal lands to the melting of glaciers in the Himalayas, threatening the huge flow rate of many of the most important rivers of India and South Asia. In India, such effects are projected to impact billions of lives. As a result of increased carbon emmisions, the climate of India has become increasingly volatile over the past several decades; this trend is expected to continue. Another consideration in this aspect is every country doesn't want to take responsibility for contributing to Global Warming. One of the steps in this context is forming an Index for Carbon Emission which measures the carbon emission of each country based on the preset parameters.

Weather Derivatives

A weather derivative contract may be termed as a financial weather dependent contract whose payoff will be determined by future weather events. The settlement value of these weather events associated with a particular instrument is determined from a weather index, expressed as values of a weather variable measured at a stated location at a particular time. These derivatives are financial instruments that can be used by organizations or individuals to reduce the risk associated with adverse or unexpected weather outcomes. The difference from other derivatives is that the associated asset (rain/temperature/snow) has no direct value to price the weather derivative. Weather Derivatives can be an important tool to hedge against losses occurring from uncertain weather conditions and can help reduce the impact of adverse weather on a company's profitability.

Weather Derivatives In India

India is a country where still agriculture is the major source of income for majority of the population. Agriculture and the related industries support around 60% of Indian population. According to the economic survey agriculture contributes more than 25% of the total GDP of India. But the Indian agriculture performance is still dependent heavily on the south west monsoons. Every year a lot of crops get destroyed because of floods or draught. But it still doesn't have an efficient irrigation system to support its farmers. The south west monsoon is very important to the agriculture performance of India. Hence Weather Derivatives have a good scope and it is most likely that weather derivatives in India should have the monsoon or rainfall as their underlying.

The Credit Default Swaps (CDS)

CDS have grown rapidly in the credit risk market since their introduction in the early 1990s. It is believed that current usage is but a small fraction of what it will ultimately represent in the credit risk markets. In particular, the CDS market will become as central to the management of credit risk as the interest rate swap market is to the management of market risk.

The Credit-Linked Note (CLN)

CLN market is one of the fastest growing areas in the credit derivatives sector. It is, a combination of a regular note (bond or deposit) and a credit-option. Since it is a regular note with coupon, maturity and redemption, it is an on-balance sheet equivalent of a credit default swap. Under this structure, the coupon or price of the note is linked to the performance of a reference asset. It offers borrowers a hedge against credit risk and investors a higher yield for buying a credit exposure synthetically rather than buying it in the publicly traded debt.

Credit Linked Deposits (CLDs)

CLD are structured deposits with embedded default swaps. Conceptually they can be thought of as deposits along with a default swap that the investor sells to the deposit taker. The default contingency can be based on a variety of underlying assets, including a specific corporate loan or security, a portfolio of loans or securities or sovereign debt instruments, or even a portfolio of contracts which give rise to credit exposure. If necessary, the structure can include an interest rate or foreign exchange swap to create cash flows required by investor.

Collateralized Debt Obligations (CDOs)

CDOs are specialized repackaged offerings that typically involve a large portfolio of credits. Both involve issuance of debt by a SPV based on collateral of underlying credit(s). The essential difference between a repackaging programme and a CDO is that while a simple repackaging usually delivers the entire risk inherent in the underlying collateral (securities and derivatives) to the investor, a CDO involves a horizontal splitting of that risk and categorizing investors into senior class debt, mezzanine classes and a junior debt. CDO may be subject to local debt registration / regulatory requirements.

Conclusion

Financial innovation is truly welfare enhancing if it brings about a reduction in the cost of capital and improvement in the financial intermediation process without a commensurate increase in financial risk. The benefits of emerging capital markets can be measured in terms of factors such as lower pricing , reduced cost of capital, mitigated risk exposures, broader access to capital and increased liquidity. Financial innovation ought to make the movement of capital more efficient, risk management more targeted, hedging better matched, and trading less costly. Financial innovation also ought to contribute to better management and transfer of credit risk, the unbundling and trenching of risk, improved liquidity, more optimal portfolio diversification, and broadened credit risk dispersion.

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A STUDY ON EFFECTS OF DOWNSIZING IN SHORT TERM RISK SCENARIO

Dr. D. Madan Mohan, Principal
Indur P.G. College of Business Management,
Bodhan, Nizamabad Dist., Telangana.

ABSTRACT

Risk is the threat that an event or action will adversely affect an organization's business objectives and business strategies. Risk Management is the process of protecting an organization from financial loss and controlling risk at the lowest possible cost. Risk involved in Human Resource Management function and its assessment is yet to take a firm root. People are a source of risk. In the risk scenario, organization has to focus on - shortage of right kind of employees at a right time, attrition of experienced employees, employees leaving after training program, employees not working effectively due to lack of competencies, employees not handling customers properly, and employee's unwillingness to take additional responsibility and high absenteeism in employees. Many organizations are realizing that downsizing may not be the best solution for reducing costs. This paper aims to study the effectiveness of downsizing as a tool of managing business risk and to study the effects of downsizing on both employee and the organizational performance. Secondary data has been considered to studyHR practices that the firms can adopt to avoid permanent layoffs. It can be concluded that, a planned downsizing can be an organizational solution in managing risk, but when layoffs are used repeatedly without a proper strategy, downsizing can destroy an organization's effectiveness.

Key words: Downsizing, organizational restructuring, business downturn, risk management

INTRODUCTION

HR deals with people, the most valuable resource of the organizationand it is crucial that it becomes a part of the total Risk Management. Once HR becomes the part of risk management program, it will allow using human capital to pursue the company's strategic goals more systematically and help HR become a strategic business partner. People are a source of risk. Selection of right kind of employees who has the multitasking skill can be helpful to both the organizing and the employees even at the time of risk.People are important in handling risk. Many organizations are realizing that downsizing may not be the best solution for reducing costs. The time and money it takes to train employees often make downsizing a wasteful procedure. Downsizing does indeed increase profits for the organization that undertakes it, but these profits are short-lived. For the future success and innovation organization require staff that are well trained and willing to take risks and committed to the organization. Organizations that think of and treat their employees as assets rather than liabilities can retain their staff, retrain them if necessary, and keep productivity up.

NEED FOR THE STUDY

In modern times with globalization of businesses, companies are seeking for advantage over their competitors. Organizations have cost minimization as their primary objective. In view of this objective, they are adopting to cost cutting strategies with primary focus on downsizing. However there is ample evidence that suggests downsizing rarely helps the organization to achieve the anticipated benefits. Downsizing is also leading to negative impact on the employees. Therefore, there is necessity to find out whether downsizing really acts as a tool for business risk management.

OBJECTIVES

- To study the effects of Downsizing in short term risk scenario and its impact on organizational long term performance
- To study various HR practices that the firms can adopt to avoid permanent layoffs

Conceptual Framework

Downsizing refers to reducing the overall size and operating costs of a company, most directly through a reduction in the total number of employees. Downsizing uses different forms like employee being terminated, fired, laid off, made redundant, or released. In terms of business, downsizing may be optimized, right-sized, or experiencing a reduction in workforce.

Reasons to adopt downsizing as a cost reduction strategy

- To make the daily operations of a business more efficient.

  For example, a company may be able to replace assembly line employees with machines which will be quicker and less prone to error.
- Downsizing increases profits by reducing the overall overhead of a business.
- Weak business units and plant closures are used as basis of reductions, rather than across the board cuts affecting all units (including healthy ones
- When the process is going smoothly and efficiently, excess employees are downsized

- To cut down the redundant departments and excessive support staff
- To downsize the employees with obsolete skills and employees resisting changes in organization
- To downsize the employees who do not accept transfers or relocations
- Downsizing works successfully when it is implemented in a planned process. The process has three phases:

Pre-implementation Phase

If downsizing is chosen as a strategy for change, thenthe necessary steps would include:

- Understanding the implications of downsizing in terms of changes in organizational structures, policies, roles, and relationships
- Identifying the changes in individual and organizational assumptions, mindsets, and attitudes which would be needed in the changed scenario
- Ascertaining the new competencies which would be required in the changed context
- Choosing appropriate change agents and training them to handle the process effectively
- Communicating about Downsizing to employees and stakeholders in a transparent manner

Implementation Phase

- Manage the negative emotions of employees associated with downsizing
- Help employees to deal with the trauma through one-on-one counseling and extensive communication
- Providing organizational support to layoff employees through training for new skills, identification of new career opportunities etc.,

Post Implementation Phase

- Providing support and opportunity to employees for trying out new competencies
- Monitoring and managing the consequences of downsizing at the individual and organizational level

Effects of downsizing in short term risk scenario

The process can be stressful for the employees because they are insecure about their continuity in the organization.

1. Mixed effects on organizational performance:

    - Short-term costs savings whereas long-term profitability andvaluation not strongly affected
    - Organization'sreputationgoes down as a good employer

      Example: Apple's reputation as good employer declined after several layoffs
    - Downsizing forces re-thinking of employment strategy. Lifelong employment policies would not have credibility after a downsizing.

      Example: IBM abandoned lifelong policy after several layoffs

2. Effects on employee:

- Employee motivation disrupted: increase in political behaviors, anger, fear - which is likely to negatively impact quality of customer service
- Violation of psychological contract, leads to cynicism, lowered work commitment, fewer random acts of "good will"
- "Survivors" experience more stress due to longer work hours with re-designed jobs, and increased uncertainty regarding future downsizings
- Many senior employees leave due to application of early retirement incentives which would result inloss of institutional memory
- The use of voluntary workforce reductions (buyouts) results in the most marketable employees leaving ("stars") -- difficult to control since all employees must be legally eligible to qualify.
- Early retirements & voluntary reductions often result in too many people quitting, and some are hired back as consultants at higher cost to firm.

HR practices to avoid permanent layoffs

- Hiring linked to vision: It refers to the idea that a company identifies the potential present and future market needs and tries to recruit skilled personnel to meet demands and goals of the company rather than having surplus manpower
- Mandatory vacation: implementing mandatory vacation involves requiring employees to use their accrued vacation days or mandating that individuals

take a number of unpaid vacation days during a certain time period.

- Reducedworkweek: Firms sometimes resort to a reduced workweek. This may translate into the reduction from 40 to 35 or fewer hours and thereby reduce the short-term payroll expenditures. While most employees appreciate the idea of being able to spend more time with their families, they may not always welcome a reduced paycheck. Also, employees may find that the same amount of work still needs to be performed while they spend less time on the job.
- Cutting overtime pay: Reducing or abolishing overtime pay for employees can be a potent technique for reducing operational costs in the short term. Firms may decide on an across-the-board (i.e., all employees) abolition or it may confine the cut to selected categories only.
- Salary reduction: Salary reduction has been a standard practice for firms experiencing unexpected financial pressure. Whereas salary reduction may mitigate financial concerns in the short-run, extended salary reductions can affect employee morale and loyalty. Also, while companywide salary reductions may prevent layoffs, there is a clear risk that top performers will be encouraged to leave for competitors that offer superior compensation.
- Soliciting cost-reduction ideas from employees: Employees appreciate the opportunity to make a positive impact on their workplace and environment. Firms frequently solicit cost-reduction ideas from employees who are often creative in producing cost-reduction solutions. This HR practice has shown to be most effective when employees are able to make suggestions in the early stages of cost cutting.
- Voluntary sabbaticals: Voluntary sabbaticals, allow salaried employees to take voluntary leaves for a designated period of time. Companies may offer sabbaticals with considerably reduced pay or no pay at all. Most firms continue to provide benefits during sabbaticals. Sabbaticals enable firms to reduce their medium-term expenditure and act as a potent method for avoiding downsizing-related layoffs. While employees may feel motivated and re-energized upon their return, HR experts point out that medium-range and long-term sabbaticals may cause employees to lose their leading-edge and return with outdated skills. Interestingly, there is evidence suggesting that firms offer generous sabbaticals during times of economic growth while companies refrain from this HR practice during tough financial periods.
- Exit incentives: This option entails offering employees incentives to leave the firm in the form of early retirement. This strategy enables firms to better target jobs and units in that it recognizes employees for their service and helps retain

the remaining employees. At the same time, exit incentives can be costly and can create an entitlement mentality for the remaining workforce in the future.

- Cross training: This helps employees to expand their working potential and allows them to diversify and venture into other specialized fields related to their work by internal retraining. This has special importance due to the ever-changing technological advances.

Reduced hours: Total working hours is reduced throughout the company during tough times, depending on the market requirements.

CONCLUSION:

A reduction of the workforce is one of only several possible ways of improving profitability or reducing costs. Many organizations are realizing that downsizing may not be the best solution for reducing costs. By changing their business strategy, organizations can find ways to maintain their workforce. There are various alternatives to downsizing. Therefore, many organizations are now looking for alternatives to downsizing that allow them to save their employees, which are now seen as large assets.

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PRICING STRATEGIES WITH REFERENCE TO ONLINE MARKETING

Malathi Devi Parne, Assistant Professor
Aurora's PG College,
Ramanthapur, Hyderabad.

ABSTRACT

Online marketing refers to the techniques available to a business to market, promote and advertise their products, services or brand on the World Wide Web. There are two main sub channels of online marketing that utilize different angles to help a business promote themselves online. Pricing method or strategy is the route taken by the firm in fixing the price. This strategy must be appropriate for achieving the desired pricing. The pricing strategy of online business also influences their overall image. As these issues demonstrate, optimal pricing is not a static problem. They must be able to react quickly to changes in the environment or sales patterns. In this context the present article on pricing strategy with reference to online marketing focuses up on various pricing strategies adopted by online businesses. This paper also provides information of the more sophisticated pricing techniques.

Key Words : Online Marketing, Pricing, Pricing Strategies, Optimal Pricing

INTRODUCTION

A pricing strategy takes into account segments, ability to pay, market conditions, competitor actions, trade margins and input costs, amongst others. Price is the value that is put to a product or service and is the result of a complex set of calculations, research and understanding and risk taking ability. A business can use a variety of pricing strategies when selling a product or service. The price can be set to maximize profitability for each unit sold or from the market overall. It can be used to defend an existing market from new entrants, to increase market share within a market or to enter a new market.

NEED FOR THE STUDY:

People have started realizing that online shopping can serve as a one stop point for all their needs. Be it a product or a service online shopping serves as a panacea for all their requirements. Online retailers, especially large retailers in competitive markets, tend to adjusts prices constantly as they seek to drive consumers to the site. Online prices tend to fluctuate a lot over time and across retailers. So there is a need for study on pricing strategies with reference to online marketing.

OBJECTIVES OF THE STUDY:

1. To understand the importance of pricing strategies with reference to online marketing.
2. To study of various pricing methods where the businesses can select for optimal pricing.
3. To focus on various pricing strategies that businesses implement when setting prices on their products and services.

Methodology of the study:

The researcher attempts to study the pricing strategies with reference to online marketing collected the data from secondary sources like journals, articles, newspapers, websites etc., and the study is qualitative and descriptive.

Importance of pricing strategies in online marketing:

Internet is the bane for small retailers and small businesses. Where initially the supply was less and demand was more, people used to quote prices touching the sky and thereby earn more margins. However, nowadays the same is impossible. Because customer before entering showroom, he has already checked prices on Amazon or Ebay or Snap deal. It is likely that after checking these prices, the customer does not enter your showroom at all but rather buys the product online itself. Thus, online price checking has made it even more important that you pay close attention to your pricing strategy, and keep it constant across the market.

TYPES OF PRICING:

Premium Pricing

Premium pricing strategy establishes a price higher than the competitors. It's a strategy that can be effectively used when there is something unique about the product or when the product is first to market and the business has a distinct competitive advantage. Premium pricing can be a good strategy for companies entering the market with a new market and hoping to maximize revenue during the early stages of the product life cycle.

Penetration Pricing

A penetration pricing strategy is designed to capture market share by entering the market with a low price relative to the competition to attract buyers. The idea is that the business will be able to raise awareness and get people to try the product. Even though penetration pricing may initially create a loss for the company, the hope is that it will help to generate word-of-mouth and create awareness amid a crowded market category.

Economy Pricing

Economy pricing is a familiar pricing strategy for organizations that include Wal-Mart, whose brand is based on this strategy. Aldi, a food store, is another example of economy pricing strategy. Companies take a very basic, low-cost approach to marketing--nothing fancy, just the bare minimum to keep prices low and attract a specific segment of the market that is very price sensitive.

Price Skimming

Businesses that have a significant competitive advantage can enter the market with a price skimming strategy designed to gain maximum revenue advantage before other competitors begin offering similar products or product alternatives.

Psychological Pricing

Psychological pricing strategy is commonly used by marketers in the prices they establish for their products. For instance, $99 is psychologically “less” in the minds of consumers than $100. It’s a minor distinction that can make a big difference.

PRICING STRATEGIES:

Competitive Pricing

Paying attention to what your competitors charge for a similar product or service is vital in e-business. It is all too easy for your customers to search and find a lower price. If you want to succeed, you may need to undercut your competition, particularly at first, until you become more established. While this may narrow your profit margin, you can often make up the difference by selling more than you would have if your prices were higher.

Odd Numbers

Another common pricing strategy for e-business is using odd numbers in a price. For example, instead of selling a product for $199, you would sell it for $197. This increases the perception of saving for a customer. It’s not quite $200, so in her mind, she is saving extra money. Most businesses utilize even pricing schedules or drop off that extra dollar to bring it down under a set amount. By taking it down a little further, you can entice more customers.

Quality and Value

While competitive pricing is important, it is also vital to make sure that the perceived value of your product is not low. If you are offering too much for too little money, your customers may perceive this as meaning that your product is not valuable. In their minds, if you aren’t charging much for it, it must not be worth much. While you do not want to fall into the trap of overpricing, set a price that is a fair value for the information or product you have to offer, while not undercutting its perceived value.

Bundling

Many e-businesses have found success by bundling. Once again, this increases the perception of value in the mind of the consumer. He's not getting just one product for $197; he's getting something more. Pick related products to bundle with your larger-ticket item. For example, he can get the main product for $197, but if he orders now, he can get an additional product for just $10 more. Make sure you state the actual value of the bundled item so that the consumer knows how much money he is saving.

The Elements of a Pricing Strategy

During the "Big Bang" days of Web commerce, the prevailing popular wisdom was that e-retailers would sell at dramatically lower prices than their brick-and-mortar counterparts. Even with these low prices, e-retailers would continue to enjoy fat profit margins because they would not be burdened with the pesky expenses of inventory and real estate. Furthermore, the online shopping population would be made up primarily of bargain-hungry shop-o-matics, seeking hot deals on obscure items.

Since then, the universe has expanded. e-Retailers have learned that they do need inventory, at least for some portion of their assortments. Real estate in Cyberspace is nearly as pricey as the kind on land—and can be just as expensive to maintain. Many individuals do indeed use the Web to find the lowest price, and price-comparison tools and sites even automate that process for them. However, many more use and shop the Web to look for unique or hard-to-find items, to access targeted editorial content, or to benefit from the convenience of 24/7 shopping and home delivery.

Pricing strategy consists mainly of undercutting the competition while struggling to remain solvent, take heart. It turns out that pricing strategies for e-retailers differ from those of traditional retailers only marginally, if at all.

Pricing should be determined in conjunction with a careful analysis of each of the following elements:

- Cost of goods
- Initial mark-up
- Promotional strategy
- Competitor price
- Retail strategy

CONCLUSION

However, there is no one magic pricing strategy that will guarantee success, so a firm should be constantly researching the market to identify a correct policy which caters the needs of all stakeholders. This is a bit counter intuitive as one would think the transparency of online prices would lead to no price dispersion, but in fact it leads to the opposite.

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E-COMMERCE: KEY DRIVERS, CHALLENGES AND STRATEGIES

Dr. Pallavi.k.Ranganadh, Director
S.D.Signodia Arts, Commerce & P.G.Centre,
Charkaman, Hyderabad.

ABSTRACT

While a fast-growing body of research has looked at how the advent and diffusion of e-commerce has affected prices, much less work has investigated e-commerce's impact on the number and type of producers operating in an industry. This paper theoretically and empirically takes up the question of which businesses most benefit and most suffer as consumers switch to purchasing products online. We specify a general industry model involving consumers with differing search costs buying products from heterogeneous-type producers. We interpret e-commerce as having reduced consumers' search costs. We show how such reductions reallocate market shares from an industry's low-type producers to its high-type businesses. The paper focuses on the evolving trends, challenges and innovations in E-Commerce in Retail Business Management arenas.

Key Words: Market Size, Segments, Key drivers, Market Participants, Local Challenges, Strategies.

INTRODUCTION

Electronic commerce, commonly known as E- commerce or eCommerce, is trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, processing, electronic (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

E-commerce businesses may employ some or all of the following:

1. Online shopping web sites for retail sales direct to consumers.
2. Providing or participating in online marketplaces, which process third-party business-to-consumer or consumer-to-consumer sales.
3. Business-to-business buying and selling.

4. Gathering and using demographic data through web contacts and social media.
5. Business-to-business electronic data interchange.
6. Marketing to prospective and established customers by e-mail or fax (for example, with newsletters).
7. Engaging in retail for launching new products and services.

IMPACT ON MARKETS

Economists have theorized that e-commerce ought to lead to intensified price competition, as it increases consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, bookshops and travel agencies. Generally, larger firms are able to use economies of scale and offer lower prices. The lone exception to this pattern has been the very smallest category of bookseller, shops with between one and four employees, which appear to have withstood the trend.

Individual or business involved in e-commerce whether buyers or sellers rely on Internet-based technology in order to accomplish their transactions. E-commerce is recognized for its ability to allow business to communicate and to form transaction anytime and anyplace. Whether an individual is in the US or overseas, business can be conducted through the internet. The power of e-commerce allows geophysical barriers to disappear, making all consumers and businesses on earth potential customers and suppliers. E-Bay is a good example of e-commerce business individuals and businesses are able to post their items and sell them around the Globe. The term retail as it is used today often refers to both traditional in-store retail and electronic commerce or e-commerce. E-commerce refers to the sale or purchase of goods or services, conducted over computer-mediated networks. The goods and services are ordered over those networks, but the payment and the ultimate delivery of the good or service may be conducted on or off-line.

New technologies continue to influence the e-commerce industry creating new forms of e-commerce such as mobile commerce (commerce mediated through mobile devices) or social commerce (the use of social networks to drive commerce). A recent study by McKinsey & Co. concluded that India is on the verge of an Internet boom and is projected to have between 330 million to 370 million internet users by 2015. That would give India the second largest base of internet users in the world behind China. The explosive growth in internet usage has more recently led to a corresponding growth in online business and e-commerce. This growth presents both great opportunities as well as some unique challenges.

MARKET SIZE

In 1998 India had only 1.4 million internet users representing a mere 0.1% of the total population. Over the last 15 years this number has grown rapidly due to growth in the IT and Telecom sectors. Today India has over 137 million internet users representing about 11% of its population, and it ranks third in the world behind only China and USA. It is also among the three fastest growing markets for internet usage worldwide, according to a study conducted by the Associated Chambers of Commerce and Industry of India (ASSOCHAM) and Comscore in October 2012. The total size of India's consumer retail market was about $470 billion in 2011 and is expected to grow to $675 billion by 2016 and to $850 billion by 2020, with a cumulative-annual-growth rate (CAGR) of 7%. In comparison, India's total e-commerce market was worth about $2.5 billion in 2009 and grew to $6.3 billion in 2011 and more than doubled to $14 billion in 2012. The percentage of internet users shopping online is less than 10% at approx 10 million users. But this number is growing at a rate of 30% annually versus the global average growth rate of 8-10%.

E-COMMERCE SEGMENTS

E-commerce in India can be broadly divided into the Business-to-Business (B2B) and the Business-to-consumer (B2C) segments. In this post we will be focusing on the trends, opportunities and challenges in the B2C segment. According to Forrester, the Business to Consumer (B2C) e-commerce market in India is set to grow at the fastest rate within the Asia-Pacific region at a CAGR of 57% between 2012-16. So far about 75-80% of all e-commerce transactions in India are travel related, comprising mainly of online booking of airline tickets, railway tickets and hotel bookings. The biggest players in the travel category are MakeMytrip.com, Yatra.com and the Indian Railways' IRCTC website for railway bookings.

Non-travel related online commerce comprises 20-25% of the B2C e-commerce market and includes:

- E-tailing or online sales of durable goods
- Financial services such as insurance and online bill payment
- Online classified, matrimonial, dating and job websites as well as marketplaces
- Digital downloads including music, e-books and paid content subscriptions

Of these e-tailing is the largest and fastest growing segment. The most popular categories here are similar to those in other markets and include consumer electronics, computer hardware, mobile phones, books and apparel. This list is rapidly expanding to include new categories such as appliances, furniture, pet care, organic foods, health care, cosmetics and beauty products. In many ways, India's e-commerce market is at the same stage of growth as the US was at in the late nineties and China was at about 6 to 7 years ago.

KEY DRIVERS

In 2011 the non-travel e-commerce market size was about $600 million and it is estimated to touch $9 billion in 2016 and $70 billion by 2020 – with an impressive CAGR of 61%. By all accounts it appears that the growth of e-commerce in India is at an inflection point. There are multiple drivers to this growth including:

- Increasing broadband Internet (growing at 20% MoM) and 3G penetration.
- Rising standards of living and a burgeoning, upwardly mobile middle class with high disposable incomes.
- Availability of much wider product range (including long tail and Direct Imports) compared to what is available at brick and mortar retailers.
- Busy lifestyles, urban traffic congestion and lack of time for physical shopping
- Lower prices compared to brick and mortar retail, driven by disintermediation and reduced inventory and real estate costs.

MARKET PARTICIPANTS

The opportunity to tap into this exploding new market of online shoppers has predictably led to a gold-rush among Indian entrepreneurs and venture capitalists. It is no surprise therefore that more than $700 million was invested in 2012 into Indian e-commerce companies. Of the 379 technology product start-ups launched as of October 2012, 193 were e-commerce companies. Flipkart which was founded in 2007 has quickly emerged as a leader in this space and received an investment of $150 million in venture capital in 2012 – one of the largest to date in any Indian internet company. It reported $100 million in e-commerce revenues last year and is targeting $1 billion in revenues by 2015. Amazon.com the world's leading e-commerce site also entered the Indian market last year with the launch of Junglee.com – a product and price comparison website that aggregates information from different e-commerce websites. Amazon is following a different model by bringing sellers and buyers together and not directly handling the transaction. Other established players include eBay which also offers a marketplace for buyers and sellers. As with any young and emerging market, there is a lot of fragmentation. In addition to e-tailers such as Flipkart, and marketplace sites such as Ebay and Junglee, there are also niche websites such as Caratlane (jewelry), online stores of established brick-and-mortar companies such as Shoppers Stop, and deal aggregator sites such as Snapdeal and Crazeal.

LOCAL CHALLENGES

In spite of the huge opportunity due to the size and growth of the market, e-commerce in India has its own set of unique challenges. E-commerce in most mature markets such as the USA works because of certain efficiencies in payment and delivery mechanisms which are missing or underdeveloped in India. The first challenge for e-commerce retailers in India is collecting payment. Less than 2% of Indian consumers own credit cards and 90% of all retail transactions are conducted in cash. As a result most e-commerce sites are forced to offer a Cash-on-Delivery (COD) option. Eight out of ten online transactions are conducted on a COD basis. However, as per one estimate 45% of all COD orders are rejected at the point of delivery by the customer. This is clearly expensive and not a very sustainable business model. The problem is compounded by the fact that most e-tailers also offer free shipping to acquire and retain customers. The second challenge is dealing with the actual logistics and delivery of goods ordered online. This is both inefficient and unreliable due to poor roads, traffic congestion and an overall weak transportation infrastructure coupled with India's vast size. In fact much of the investment into e-commerce companies is going into logistics. Many e-tailers are setting up their own warehouses and delivery centers to extend their reach and streamline operations. Other factors that are making it harder for e-commerce companies to survive include razor thin gross margins due to deep discounts and intense price competition. In fact many items are sold at a loss to attract customers. Profitability is also negatively impacted by high customer acquisition costs, free shipping and the high rejection rate of COD orders. It is no wonder then that most e-tailers are losing money and are being propped up with investor capital. The largest player Flipkart is yet to turn a profit. All of this has inevitably led to a high mortality rate and consolidation in the segment. Of the 193 e-commerce companies that were launched, almost half or 87 have ceased to exist, having either been acquired or shut down as investors cut their losses and trimmed their portfolios.

STRATEGIES FOR SUCCESS

In order to improve their chances for success companies are learning and adopting certain strategies. The successful companies in India are focusing on strong customer service and establishing trust with buyers. This leads to repeat buyers, lowers the customer acquisition and retention costs and improved profitability. In addition, some companies are differentiating themselves by focusing on niche product categories and market segments. To outlast their competition companies will also need to build a strong brand. This is what Amazon was able to do in the USA, and probably what Flipkart and some of the other larger players are emulating and trying to do in India. There are bound to be further acquisitions and consolidations and many more brutal shakeouts as the market matures.

CONCLUSION

Companies that hope to take advantage of these opportunities will need to do everything possible to reduce costs, remain financially viable and adopt smart strategies to outlast their competition and survive. It is clear though that the growth of the internet and online e-commerce is on a fast track to transform India's economy in the 21st century. With the great potential and opportunities, there are many pitfalls and challenges along the way and it enhances the prospects for further research in the areas to examine the trends, challenges and innovations which are taking place in the Retail business management.

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ENVIRONMENTAL ATTITUDE AND BUYING OF GREEN PRODUCTS: AN EMPIRICAL STUDY

Dr. Monica Bedi, Assistant Professor
Panjab University

Ms.Bodige Mamatha, Research Scholar
Department of Business Management,
Osmania University

ABSTRACT:
Environmental issues are perhaps the most significant and yet the most difficult problems that marketing – and human economic activity in general – face at the beginning of the third millennium. Environmental degradation is a global concern since its effects are borderless and the quality of life of the present and of future generation depends on the protection and preservation of ecosystems. Failure to overcome environmental problems is a result of human and anthropogenic activities. Also, excessive use of natural resources, over industrialization, increase in global population and globalization are causing serious ecological damage. So it is excessive production & consumption which are the major contributors to man-caused pollution. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. Studies have found that the most significant factor affecting environmental related issue is not the official government policy but public awareness. The objectives of the study will be to understand consumers' perception about Green Marketing and to explore how consumers react to the examples of Green products .The knowledge of the overall perception formation about green products and its predictors provides management with the facility to identify and implement strategies that may better influence the change of attitude by customers.

Keywords: Marketing, Environmental degradation, Ecosystems, Industrialization, Globalization, Green technology, Sustainable development, Green products.

INTRODUCTION
Environmental degradation has emerged a serious global concern . The environmental degradation have caused, among other things, global warming, depletion of stratospheric ozone layer, pollution of sea and rivers, noise and light pollution, acid rain and desertification (Ramlogan, 1997). Environmental problems are caused directly or indirectly by the patterns of production by industries, patterns of

consumption and behavior of the consumers. India, is facing tremendous challenge in ensuring sustainable development. Depletion of forests, population growth, vehicular emissions, use of hazardous chemicals and various other undesirable human activities are mainly responsible for this degraded scenario of environmental health in India. The national statistics showed that the state of Indian environment is rather stressful. A 2015 report by the Centre for Science and Environment, a Delhi-based NGO, says the decline in the country's overall environmental standards was because of river pollution, which is worse now than it was three decades ago, piling garbage in cities and increasingly toxic urban air. Moreover, the Environmental Performance Index 2014, generated by researchers at Yale University in the US, has bracketed India among "bottom performers" on several indicators such as environmental health impact, air quality, water and sanitation. Despite the directions of the National Green Tribunal, civic agencies continue to allow concretization in green belts. Massive green cover is destroyed in the name of development. Flourishing real estate and demand for housing units is leading to change of land use and shrinkage of natural conservation zones such as forests, water bodies, wastelands, sanctuaries etc. Accordingly, various policies and strategies are currently developed and implemented by the government in order to plan, promote, coordinate and oversee the implementation of environmental and forestry programmes in order to protect the environment and maintain a balance between conservation and development activities. To overcome and reduce the negative environmental consequence sand increased pollution levels associated with industrialization and urbanization, a number of new initiatives and efforts have been proposed in the Budget 2014-16. Also, Govt of India has evolved a number of policy measures, in particular, the National Conservation Strategy and Policy Statement on Environment and Development, National Forest Policy, Policy Statement on Abatement of Pollution and National Environmental Policy. However, studies have found that the most significant factor affecting environmental related issue is not the official government policy but public awareness (Chukwuma, 1998) . Studies by various researchers concluded that the quality of the environment depends significantly on the level of knowledge, attitude, values and practices of the people. Over the years, a majority of consumers have realized that their purchasing behavior had a direct impact on many ecological problems. Evidence suggests that consumers are choosing products or avoiding others based on their impact on the natural environment. There is a growing amount of evidence suggesting that US and Western Europe are becoming more environmentally responsible in terms of their personal habits and lifestyles (Stone et al., 1995). In the UK , 10% are recognized as being hardcore green consumers (Curlo, 1999). 50% of Americans claim to look for environmental labels and to switch brands based on environment-friendliness (Phillips, 1999). Other studies suggest that green consumers are willing to pay more for ecologically friendly products (Coddington, 1993). Study conducted by

Suchard and Polonsky (1991) found that 61.5% of the Australians would pay more for environmentally safe products while 22.2% were unsure if they would pay more for green products. Mintel survey concluded that 27 per cent of British adults were prepared to pay up to 25 per cent more for green products (Prothero, 1992). Compared with what has been happening in the West, Indian consumers are just at the stage of green awakening. Little is understood about consumers' intentions to purchase environmentally friendly products in this part of the world. The objective of this research is to empirically estimate consumers' awareness and perception about Green Marketing and to explore how consumers react to the examples of Green Marketing (Organic food, herbal/natural personal care products, and recycled paper products).

GREEN MARKETING

Green Marketing can be defined to conceive exchange relationships that go beyond the current needs of the consumers, considering at the same time the social interest in protecting the natural environment. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Green marketing has a much broader scope than marketing in general. First, green marketing should not just be limited to communication policies: ecological aspects need to be incorporated into all the functional areas of marketing. Second, green marketing should not be understood as a mere series of procedures, activities and techniques to design and commercialize green products. It should also be regarded as a philosophy that guides the behaviour of the entire organization. Green or environmentally friendly products are broadly defined as products that will not pollute the earth or deplore natural resources, and can be recycled or conserved (Shamdasani et al., 1993). The products those are manufactured through green technology and that caused no environmental hazards are called green products. Some examples of these products are household items manufactured with post-consumer plastics or paper, recyclable or reusable packaging, energy-efficient light bulbs, and detergents containing ingredients that are biodegradable, nonpolluting, and free of synthetic dyes or perfumes.

OBJECTIVES OF THE STUDY:

The objectives of the present study are:

a) Understanding consumers' perception about Green Marketing.

b) Exploring consumers reaction to the examples of Green products (organic food, herbal/natural personal care products, recycled paper products).

RESEARCH METHODOLOGY:

Table 1 : Distribution of Respondents

	all(n=80)	
	n	p
Age (years)		
<21 years	62	38.8
21 -34 yrs	62	38.8
35yrs&above	36	22.5
Total	160	100.0
gender		
Male	66	41.3
Female	94	58.8
Total	160	100.0
Education		
high school	60	37.5
college graduate level	40	25.0
Completed college	60	37.5
Total	160	100.0

Survey method of research was used to conduct the study. Judgmental sampling technique was used to select 100 respondents .However, 80 respondents responded to the questionnaire. Analysis of data collected through questionnaires was done through simple tabulation, cross tabulations. Kruskal –wallis one-way ANOVA has been applied. Table 1 presents the profile of the respondents who had participated in this research study.Around half of the participants were females (58.8 per cent). Almost 37.5 per cent of the respondents have completed college , 25 per cent are pursuing graduation , 82.6 per cent of the respondents have family monthly income less than Rs.50,000. 38.8 percent of the respondents lie in the age group of less than 21 years and 22.5 percent are 35 years & above .

FINDINGS OF THE STUDY

A. Understanding consumers' perception about Green Marketing

The analysis of the data regarding consumers' perception about green marketing are entered in Table 2.Results of the study showed that there is a positive perception of green marketing based products/green products. High percentage of respondents agrees that Green products may delay upcoming ecological crisis (92.6%), Green products are the future (87.6%) and their looking forward for more green products in market (80.0%).Respondents feel that more and more firms need to indulge in Marketing of environment friendly products (97.6%). It is evident from the results that skepticism subsists on the part of the customer about green products in terms of trustworthiness of product eco-labels (26.3%). They do not seem to consider the information given on labels to be entirely accurate. Also, 42.5% respondents feel that they never look for eco-labels before purchasing a product. This attitude appears to be based on a general perception that company claims for green products are just to make customer base (75%). At the same time, respondents do not appear to consider that the current government regulation is adequately protecting the environment, thus perceiving the need for regulatory body for Green Marketing based products/ green products (91.3%). However, there is no association between perception and customer's intention to purchase them if they are of higher prices in comparison to alternative products. Customers expect all products to be environmentally safe, however they are not willing to compromise on setting prices of green products at levels that may be perceived by them as being higher than the alternative products available (22.5%).

Table 2: Perception about Green Marketing

Items	STATEMENTS	Agree	Neither Agree nor Disagree	Disagree
1	Firms need to indulge in Green Marketing / Marketing of environment friendly products	97.6%	------------	2.5%
2	Green products may delay upcoming ecological crisis.	92.6%	5%	2.4%
3	Green products are the future	87.6%	12.4%	-----------
4	I look forward for more green products in market.	80%	12.6%	7.4%
5	Regulatory body needs to be there for Green Marketing based products	91.3%	2.5%	6.5%
6	Product ads claiming 'green' are trustworthy.	26.3%	8%	6.5%
7	Eco-labels impact my purchase decisions.	42.5%	7.5%	50%
8	I choose the environment friendly alternative regardless of price.	22.5%	3.8%	73.8%
9	Companies Green Market do so just to make customer base.	75%	2.5%	22.5%

B. Exploring consumers reaction to the examples of Green Marketing-based products (organic food, herbal/natural personal care products, recycled paper products).

Consumers reaction to the examples of Green Marketing- based products (organic food, herbal/natural personal care products, recycled paper products) is depicted in table 3. 22.5% respondents believed that eco-labels 'often' impacts their purchase decisions while only 11.3% felt that it ' had' any impact. 18.8% of respondents 'always' buy and prefer organic fruits and vegetables, 32.5% of the respondents 'often' buy organic food, 23.5% 'sometimes' buy and 18.8% have 'never' bought organic food . 41.3% of the respondents 'often' buy herbal products, 21.3% 'always' buy such products and 1.3 % said that they have 'never 'bought. 30% of the respondents said that if given a choice they would 'always' prefer a hybrid car (fuel + battery) over petrol/diesel car.32.5% respondents said that they 'often' buy recyclable package products. 26.3% said they 'always' buy such product and only 6.3% said they have 'never' bought them . 32.5% respondents said they 'sometimes' buy ozone friendly sprays whereas 26.3% said that they 'never' bought such sprays. Only 10% said that they 'always' buy ozone friendly sprays.

Table 3: Consumers reaction to the examples of Green marketing- based products/green products

Statements	Never (%age)	Rarely (%age)	Some times (%age)	Often (%age)	Always (%age)
1. I check a product's eco-label before buying.	11.3	27.5	30.0	22.5	8.8
2. I prefer organically grown (without using chemical pesticides) fruits and vegetables.	5.0	20	23.8	32.5	18.8
3. I prefer herbal/natural personal care products.	1.3	12.5	23.8	41.3	21.3
4. Given a choice I would prefer a hybrid car (fuel + battery) over petrol/ diesel car.	3.0	3.5	18.8	43.8	30.0
5. I prefer ozone friendly aerosols containing body/ room sprays.	26.3	15.0	32.5	16.3	10.0
6. I would purchase a product in recyclable package over the one in non recyclable	6.3	10.0	25.0	32.5	26.3

CONCLUSION

The perception towards green marketing and purchase behavior of green marketing based products/green products differ in several aspects. The study highlights that strong self regulation is needed on the part of Customers than the imposition of control by the government. The purchase behaviour of the green products market would not be substantially altered unless a dramatic shift of perception occurs. It has become more difficult since consumers have already established brand loyalty towards mainstream products. Although customers read product labels, it seems that the type and format of information provided is not properly understandable by customers. Instead of using chemical code names and technology based terms with respect to the environmental safety of the product, it is recommended that product label would be graphically identified and dedicated to the environmental safe aspects of the product, distinct from other mandatory information provided on product labels. Undoubtedly, concern for environment has become a dominant social theme today.

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DIGITAL MARKETING – AN EFFECTIVE PROMOTIONAL TOOL

Mrs. Ragini Tenglikar
Department of Business Management,
Osmania University, Hyderabad.

INTRODUCTION

Digital Marketing is Marketing Techniques that makes use of electronic devices like Desktops, Laptops, Phones and Tabs. In other words Digital Marketing is a promotion of business on Internet. We focus on various internet medium for Digital Marketing. The term digital marketing was first used in the 1990s, but digital marketing has roots in the mid-1980s when the Soft Ad Group, now Channel Net, developed advertising campaigns for automobile companies, wherein people would send in reader reply cards found in magazines and receive in return floppy disks that contained multimedia content promoting various cars and offering free test drives. Digital marketing became more sophisticated in the 2000s and the 2010s, and the rapid increase in the number of devices able to access digital media has led to great growth of digital advertising, statistics produced in 2012 and 2013 showed that digital marketing was still a growing field. Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'. The term digital marketing has grown in popularity over time, particularly in certain countries. In the USA online marketing is still prevalent, in Italy is referred as web marketing but in the UK and worldwide, digital marketing has become the most common term, especially after the year 2013. Digital media growth is estimated at 4.5 trillion online ads served annually with digital media spend at 48% growth in 2010. An increasing portion of advertising stems from businesses employing Online Behavioral Advertising (OBA) to tailor advertising for internet users, but OBA raises concern of consumer privacy and data protection.

People : The digital age has democratized individuals. They are no longer passive consumers, but active and creative participants. They expect and believe in the co – creation of an experience, thereby evolving from consumers to users. They are becoming the most credible and reliable source of true picture of a brand. Channel: With consumers evolving into users and participating in co – creation, it is important for brands offer those channels and platforms that allow them to participate in this process. Users are seeking channels that offer them more than just digital promotion activities, they want channels that allow them freedom to publishers of content, information and data, that give them control over what content they produce and consume, that allow them to co create brand experience. The channels also need to be device agnostic. Users are adapting to the usage of different devices throughout the day to execute tasks at hand. They might use a smart phone or Tablet to complete functional tasks etc. While on the move, but they use a PC for heavy content creation and research. According to a Google research, 90 percent of people move between devices to accomplish a task, with virtually all of them competing their task in one day. The most popular starting point is the smart phone.

Why Digital Marketing Is Important?

Digital media is so spreading through every part of marketing that consumers have access to information any time and any place they want it. Gone are the days when the messages people got about your products or services came from you and consisted of only what you wanted them to know. Digital media is an ever-growing source of entertainment, news, shopping and social interaction, and consumers are now exposed not just to what your company says about your brand, but what the media, friends, relatives, peers, etc., are saying as well. And they are more likely to believe them than you. People want brands they can trust, companies that know them, communications that are personalized and relevant, and offers tailored to their needs and preferences.

OBJECTIVES :

- To know the strategies of Digital Marketing
- Comparing Digital Marketing with Traditional Marketing
- To know the present conditions of Digital Marketing in different countries.

Traditional Marketing Vs Digital Marketing:

Metric	Paper Advertisement (Deccan Chronicle)	Digital Media Ads
Reach	1,333,668 (DC – Wikipedia)	Millions / Billions
Target Audience	Low	Very High
Engagement	Zero	Very High
Price	Very Expensive	Very Low
RoI (Rate of Interest)	Guarantee	High Returns

RESEARCH METHODOLOGY :

It is Conceptual paper and the study is mainly based on secondary sources which is collected from Journals, News Papers and Internet sources.

Strategies of Digital Marketing :

Search Engines: We target those Audience or we target those users who are actually using Search Engines to visit our websites to find the information. Search engine optimization (SEO) is the art of getting a website to work better with search engines (Like Google, Bing, Yahoo), and to look for achievable, profitable, ranking opportunities through key word research. It is a quest for increased visibility in search engines via relevant copy, quality links domain trust, social popularity and search engine connectivity.

Paid Search Marketing: Paid search marketing is an inexpensive and scalable form of web marketing designed to connect your ads with searchers actively seeking what you provide. The smartest paid search marketing campaigns are pay-per-click, or PPC campaigns, and the logic behind them can be summarized simply you bid for an ad placement in a search engine's sponsored links for keywords related to your business, then you pay the search engine a small fee for each click.

Social Media : People who are actually in social Media .The term 'Digital Marketing' has a number of marketing facets as it supports different channels used in and among these, comes the Social Media. When we use social media channels (Facebook, Twitter, Pinterest, Instagram, Google+, etc.) to market a product or service, the strategy is called Social Media Marketing. It is a procedure wherein strategies are made and executed to draw in traffic for a website or to gain attention of buyers over the web using different social media platforms.

Digital Analysis: Digital analytics is the analysis of qualitative and quantitative data from your business and the competition to drive a continual improvement of the online experience that your customers and potential customers have which translates to your desired outcomes (both online and offline)With the right skills, processes and technologies, you can uncover the vital information about how you engage with your customers, effectiveness of your engagements and give you the data on which to take action to improve the outcome – business results".

E- Mail Marketing : E-Mail marketing is a type of direct marketing that involves sending personalized, targeted messages to a specific audience. E-Mail Marketing is easy to use, low cost and effective. Most of the B2B business in present era in following email marketing, but in B2B also email marketing productive.

Online Reputation : Online reputation management (ORM) is the practice of crafting strategies that shape or influence the public perception of an organization, individual or other entity on the Internet. It helps drive public opinion about a business and its products and services. By using ORM, a company may try to mitigate the effects of a negative viral video, create proactive marketing strategies for online consumption or broaden its domain holdings to ramp up online visibility. Advanced targeting are techniques involving the sending of targeted messages to a specific audience. It is used to increase the effectiveness of a marketing campaign. Behavioral targeting is also a part of advance targeting, here marketers can target the customers based on their past behavior in online. Marketer can put ads in other webpage where customer is going.

The search query is the word or the string of words and figures entered in the search box of a search engine to access some information on the web. A search query can also encompass some specific typefaces and operators (e.g., Boolean operators). The query can be entered on a search engine website (like Google) or on an internal (on-site) search engine and can be made from multiple devices.The study of search query trends, volumes and contents (which and how many words are used) is very valuable for general marketing studies and search engine marketing (SEM) optimization.

Commercial and marketing stakes related to search queries are very high.

In digital marketing and SEM contexts, one differentiate three types of search queries:

- Informational queries: the user searches for general information about a topic or product. This is the most part of search queries and some have not marketing potential.
- Navigational queries: the user knows where is the information or where he wants to go (e.g.: “Facebook”; “Walmart”). Navigational queries are an alternative to direct accesses.

- Transactional queries: Queries that suggest an intent to achieve a particular action (e.g., “buy flowers”; “game downloads”; “coupon for..”).

Facebook, Twitter, Instagram, Pinterest, Vine, Snapchat and even LinkedIn: e-commerce professionals are investing more and more in these and other social media platforms. Consumers are increasingly influenced by reviews and the buzz about products or shopping experiences in their networks.
Note : Survey from United states not from India

Present Users Information :

Internet users by country (2014)

Rank	Country	Internet Users	1 year Growth %	1 Yr User Growth	Total Country Population	1 Yr Pop. Changing %	Penetrating (% of population with internet)	Country's share of world population	Country's share of world Internet population
1	China	641601070	45	24021070	1393783836	0.59%	46.03%	19.24%	21.97%
2	United States	2798342312	7%	17754869	322583006	0.79%	86.75%	4.45%	9.58%
3	India	243198922	14%	29859598	1267401849	1.22%	19.19%	17.50%	8.33%
4	Japan	109252912	8%	7668535	126999808	-0.11%	86.03%	1.75%	3.74%
5	Brazil	107822831	7%	6884333	202033670	0.83%	53.37%	2.79%	3.69%
6	Russia	84437793	10%	7494536	142467651	-0.26%	59.27%	1.97%	2.89%
7	Germany	71727551	2%	1525829	82652256	-0.09%	86.78%	1.14%	2.46%
8	Nigeria	67101452	16%	9365590	178516904	2.82%	37.59%	2.46%	2.30%
9	United Kingdom	57075826	3%	1574653	63489234	0.56%	89.90%	0.88%	1.95%
10	France	55429382	3%	1521369	64641279	0.54%	85.75%	0.89%	1.90%

Secondary Source :Wikipedia

RISKS – OUTSOURCING DIGITAL MARKETING

Choosing the wrong agency

It is not an assured success when it comes to outsourcing; risks do exist. The first of these risks is choosing the wrong agency. Ending up with a company with no capacity or capability to take you through your needs can be disheartening and costly. A company that cannot focus on achieving your goals is a bad choice too, because this will means a loss of both potential and existing customers, and ultimately a nose-dive in your sales figures.

Lack of understanding

When marketing your business, you want a process that is appropriate, transparent and repeatable. However, an outsourced company is not as close to your management compared to internal staff. With this kind of setup, there are chances of producing a marketing strategy that does not reflect and match well with the brand of the company.

Can be expensive

One of the greatest demands of an outsourced digital marketing agency is a heavy investment in planning. When the process is uncoordinated and sporadic, heavy financial costs are inevitable. Stop-start series' of activities that come with poor planning can lead to an enormous cumulative cost. When all is said and done, both outsourcing and having an internal marketing staff have risks and benefits at their own capacities. The logical step here is to analyze the marketing needs of your company to choose the right marketing strategy. When choosing to outsource to an agency, be sure the digital agency is equipped with the skill base to achieve the marketing goals of your company.

Challenges Facing Digital Marketers

Expansion of digital channels. Consumers use multiple digital channels and a variety of devices that use different protocols, specifications and interfaces – and they interact with those devices in different ways and for different purposes.
Intensifying competition. Digital channels are relatively cheap, compared with traditional media, making them within reach of practically every business of every size. As a result, it's becoming a lot harder to capture consumers' attention.
Exploding data volumes. Consumers leave behind a huge trail of data in digital channels. It's extremely difficult to get a handle on all that data, as well as find the right data within exploding data volumes that can help you make the right decisions.

To put it simply:

- Minimize risk;
- Work efficiently. Stop wasting time and money;
- Get to know your audience.
- Be a professional marketer, not an unprofessional gambler.

After sorting through all the analytics ...

We can get with the creative marketing team for another brainstorming session to discuss story lines and different organizational and structural roles to determine what channels make sense for a well-balanced digital communication strategy.

CONCLUSION :

In simplistic terms, digital marketing is the promotion of products or brands via one or more forms of electronic media. Digital marketing differs from traditional marketing in that it involves the use of channels and methods that enable an organization to analyze marketing campaigns and understand what is working and what isn't – typically in real time.

Digital marketers monitor things like what is being viewed, how often and for how long, sales conversions, what content works and doesn't work, etc. While the Internet is, perhaps, the channel most closely associated with digital marketing, others include wireless text messaging, mobile instant messaging, mobile apps, podcasts, electronic billboards, digital television and radio channels, etc.

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A STUDY ON CONSUMER BEHAVIOR WITH REFERENCE TO FMCG PRODUCTS IN INDIA

Maloth Naresh Naik, Research Scholar
Department of Business Management,
Osmania University, Hyderabad.

ABSTRACT:
The Indian FMCG sector is highly fragmented, volume driven and characterized by low margins. The sector has a strong MNC presence, well established distribution network and high competition between organized and unorganized players. FMCG Packaging has a huge role to play in the positioning of products. Package design shapes consumer perceptions and can be the determining factor in point-of-purchase decisions which characterize the majority of shopping occasions In recent years the marketing environment has become increasingly complex and competitive. A product's packaging is something which all buyers experience and which has strong potential to engage the majority of the target market. This makes it an extremely powerful and unique tool in the modern marketing environment. This research utilized a focus group methodology to understand consumer behavior toward such products. The challenge for researchers is to integrate packaging into an effective purchasing decision model, by understanding Consumer's behavior towards the FMCG products.

Key Words: FMCG, MNC.

INTRODUCTION:
The FMCG Sector is one of the most important sectors of any Economy. It plays a vital role in the economy as FMCGs are a necessity and are inelastic products which touch every life in one or the other aspect. India's FMCG sector is the 4th largest sector in the economy and creates employment for more than three million people in downstream activities. In the past, rural consumers purchased most of their requirements from nearby towns. However, in recent times, a shift has been seen towards purchasing locally. This change in consumer purchase behavior has important implications for the rural marketer. There is a need to access retailers in towns and larger villages and promote products there, so that the products that are purchased locally can reach smaller retail outlets in villages. Studies suggested that promotion by the retailer supplements the efforts at creating brand knowledge in rural markets. A promotion announcing the benefits of a product or brand along with

distribution efforts is observed in rural markets in the FMCG category. Customer satisfaction is essentially the culmination of a series of customer experiences or, the net result of the good ones minus the bad ones. It occurs when the gap between customers' expectations and their subsequent experiences has been closed. The FMCG Sector is one of the most important sectors of any Economy. It plays a vital role in the economy as FMCGs are a necessity and are inelastic products which touch every life in one or the other aspect. India's FMCG sector is the 4th largest sector in the economy and creates employment for more than three million people in downstream activities. There is a huge growth potential for all the FMCG companies, as the per capita consumption of almost all products in the country is amongst the lowest in the world. According to CRISIL anticipation, the FMCG sector could be over INR 160,000 crores by 2016. As the market for FMCG products is forecasted to have vibrant growth, expansion and acquisitions are bound to happen. Capital would be sourced for financing these ventures. Debt servicing definitely has an impact on the profitability of the company. The process of branding was developed to protect products from failure. This is easy to see if we trace this process back to its 19th-century origins. In the 1880s, companies such as Campbell's, Heinz and Quaker Oats were growing ever more concerned about the consumer's reaction to mass-produced products.

Brand identities were designed not only to help these products stand out, but also to reassure a public anxious about the whole concept of factory produced goods. By adding a 'human' element to the product, branding put the 19th century shoppers' minds at rest. They may have once placed their trust in their friendly shopkeeper, but now, they could place it in the brands themselves. Fast forward to the 21st century and a different picture emerges. Now, it is the brands themselves that are in trouble. They have become a victim of their own success. If a product fails, it's the brand that's at fault. They may have helped companies such as McDonald's, Nike, Coca-Cola and Microsoft build global empires, but brands have also transformed the process of marketing into one of perception-building. That is to stay, image is now everything. Consumers make buying decisions based around the perception of the brand, rather than the reality of the product. While this means brands can become more valuable than their physical assets, it also means they can lose this value overnight. After all, perception is a fragile thing.

OBJECTIVES OF THE STUDY:

1. To study the importance of FMCG goods in Indian market.
2. To study the consumer behavior towards the packaging of FMCG products.

RESEARCH METHODOLOGY:

This study is based on secondary data. The study is conceptual and exploratory in nature. This study explored the consumer behavior towards the FMCG products and explains the conceptual framework of FMCG sector. Secondary data is used from different research works for understanding the FMCG market concept and its necessity in current globalised scenario.

SCOPE FOR RESEARCH:

This research work has a wider scope for FMCG sector and this research have the following scope-

- To understand the need for FMCG market.
- To identify the areas of FMCG market potentiality.
- To understand the impact of FMCG goods on customers.

RESEARCH LIMITATION:

1. Firstly the analysis was done on the basis of earlier research work on FMCG Sector.
2. Secondary the direct opinion of customers and marketers of the FMCG companies is not collected and evaluated for deriving conclusion, the study being conceptual in nature

REVIEW OF LITERATURE:

Fast Moving Consumer Goods (FMCG) are products that are required by almost all users in their day today life. Fast Moving Consumer Goods (FMCG) sometimes called as Consumer Packaged Goods (CPG) is low-priced products that are sold swiftly. These products are nondurable goods which range from soft drinks to toiletries, cosmetics, oral hygiene products, shaving products, detergents, batteries, stationery products and plastic goods and groceries. FMCG may also include pharmaceuticals, consumer electronics, packaged food products and soft drinks. Gautam and Gangal analyzed the factors responsible of the boom in rural marketing, consumers‟ preference for FMCG products based on 4 A‟s (i.e. Awareness, Affordability, Adoptability and Availability). On the profit scale, the margin for these types of products is very low but they are sold in greater quantities which is the reason for outbreak of numerous brands for each type of FMCG product leading to competition in the market. To be successful in the market, each Producer/supplier works out various business strategies for these products. One such tactics of Business, the Advertising encourages consumers to try a new brand or a brand they have not tried before. If these advertisements can create response among the consumers, then the producers can grab the market. Chandrasekhar analyzed the consumer buying behavior and brand loyalty in rural markets regarding fast moving consumer goods and found that brand loyalty varies from region to region in soaps category. Jain and Sharma analyzed the brand awareness and customer preferences for FMCG products in rural market which revealed that people in the rural market have on an average awareness about most of the products. Vernekar and Wadhwa examined the consumer attitudes and perceptions towards eco-friendly products in FMCG sector and their willingness to pay on green products and the study revealed that the green products have substantial awareness among urban Indian customers and they are willing to pay more on green products. Prajapati and Thakor examined the competitive and innovative promotional tools used by toothpaste companies in rural market and its impact on consumer buying behaviour. The study found that rural consumers are more concerned about the quality, brand name of the oral care products purchased by them. Marketers can promote their products well if they can understand the responses of the consumers and then design and launch products accordingly.

With a population of over one billion, India is one of the largest economies in the world in terms of purchasing power and increasing consumer spending, next to China. The Indian FMCG industry, with an estimated market size of ~`2 trillion, accounts for the fourth largest sector in India. In the last decade, the FMCG sector has grown at an average of 11% a year; in the last five years, annual growth accelerated at compounded rate of ~17.3%. The sector is characterized by strong presence of global businesses, intense competition between organized and unorganized players, well established distribution network and low operational cost. Availability of key raw materials, cheaper labor costs and presence across the entire value chain gives India a competitive advantage.

Fast Facts: Indian FMCG Industry

- The Indian FMCG industry represents nearly 2.5% of the country's GDP.
- The industry has tripled in size in past 10 years and has grown at ~17%CAGR in the last 5 years driven by rising income levels, increasing urbanization, and strong rural demand and favorable demographic trends.
- The sector accounted for 1.9% of the nation's total FDI inflows in April 2000-September 2012. Cumulative FDI inflows into India from April 2000 to April 2013 in the food processing sector stood at `9,000.3 crore, accounting for 0.96% of overall FDI inflows while the soaps, cosmetics and toiletries, accounting for 0.32% of overall FDI at `3,115.5 crore.
- Food products and personal care together make up two-third of the sector's

revenues.

- Rural India accounts for more than 700 mn consumers or 70% of the India n population and accounts for 50% of the total FMCG market.
- With changing lifestyle and increasing consumer demand, the Indian FMCG market is expected to cross $80 bn by 2026 in towns with population of up to 10 lakh.
- India's labor cost is amongst the lowest in the world, after China & Indonesia, giving it a competitive advantage over other countries.
- Unilever Plc's $5.4 billion bid for a 23% stake in Hindustan Unilever is the largest Asia Pacific cross border inbound merger and acquisition (M&A) deal so far in FY'14 and is the fifth largest India Inbound M&A transaction on record till date.
- Excise duty on cigarette has been increased in the Union Budget for 2013-14, which would hit major industrial conglomerates like ITC, VST Industries in the short term.

To determine industry attractiveness and long-run industry profitability of the Indian FMCG Industry, we chose to apply the Porter's five forces in our analysis. Porter's five forces are:

(1) Barriers to Entry and exit,

(2) Threat of substitutes,

(3) Buyer bargaining power,

(4) Supplier bargaining power, and

(5) Industry Competition.

FINDINGS & DISCUSSION:

India is one of the largest emerging markets with a total population above one billion. After post-liberalization the presence of MNC showing intense competition among companies for their product. They are coming with new products to attract customers. In such a cut-throat-competition era companies are coming with differentiated and innovative products to gain market share. Since the major Indian population resides in rural area so there is a need to replace traditional urban strategy with innovative rural strategy. Indian FMCG sector has almost tripled in last decade, much faster than past decades. This growth in FMCG sector is due to increase in demand, developments in supply side and favorable changes in Government Policy.

CONCLUSION:

Today, Fast moving consumers goods have become an integral part of human life. This sector is recession proof and created huge employment opportunity in India, hence becoming one of the key pillars of the Indian economy. FMCG companies should encash opportunities like increasing consumer income, changing consumer life style, aspiring rural consumer, consistent economic growth by utilizing its strengths. The competition from unorganized sector can be overcome by increasing brand awareness and by reducing cost through sharing resources such as distribution network. Favorable developments happening in demand side, supply side and systematic drivers shows that this sector has very bright future.

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RISK - RETURN DYNAMICS IN EQUITY MARKET - A STUDY ON INDIAN STOCK MARKET

SRIVALLI JANDHYALA, Research Scholar
JNTUH, Hyderabad

ABSTRACT

This paper evaluates the forecasting performance of a range of volatility models in Value-at-Risk estimation in the context of the Basle regulatory framework using stock index return data from a selection of emerging markets. It extends the current research in these economies by including a range of GARCH models and their long memory extension, in addition to some standard statistical methods often used by financial institutions. The results suggest that models with long memory or asymmetric effects or both are important considerations in providing improved VaR (vector auto regression) estimates that minimise occasions when the minimum capital requirement identified by the VaR process would have fallen short of actual trading losses. In addition, the results highlight the relevance Bosle regulatory framework, and of using out-of-sample forecast evaluation methods for the identification of forecasting models that provide accurate VaR estimates.

INTRODUCTION

Equity volatility can be defined as the variation observed in returns calculated over the relevant period of time and volatility spillover as the persistence of volatility across international boundaries or over financial assets in active operation simultaneously or in different periods of time. The present paper concentrates on transnational spillover of volatility and returns in equity markets. There are variety of reasons for the spillover of volatility between international markets but all of them come together to the degree of integration between the concerned economies and hence the markets that are referred to. This trend towards integration of national economies got a boost after the collapse of the Brettonwoods Agreement and the subsequent liberalization of international capital markets in a phased manner. This has led to enormous amount of capital being moved across international boundaries. A major chunk of this is portfolio investment. This has made equity markets interlinked on a scale never seen before and made them responsive to pulses in any other market. Consequently, the benefits of diversification have begun to be questioned and volatility studies have become an integral part of identification of risk as generated in a particular market as a result of adverse foreign market movement. With this background, the present study has built a model of volatility spillover connecting

Japan, India and USA. This study is expected to throw light on the behavior of mean and volatility spillover across these markets and identify the risk present in each of these markets that is being generated in the other two. The selection of markets is based on the trend of past studies as well as on the strategical importance of each of the markets. Nikkei and S&P 500 are two of the biggest markets in terms of market capitalization and trading activity. They also operate on either side of the opening of the Indian market thereby making it easy to capture the mutual impact. It will enable to establish transnational spillover of return and volatility without any ambiguity.

REVIEW OF LITERATURE

The seminal works of Tobin (1958) and Markowitz (1959) showed that the efficiency of portfolios could be optimized by combining assets based on the correlation in their return. The twist in literature was provided by Grubel (1968), who, following the footsteps of Tobin and Markowitz, explained the phenomenon of diversified asset holdings and empirically analyzed the case of 11 national stock markets to see if, there was any gain from international diversification of portfolios. He used a static model as well as a dynamic model in which foreign assets grew over time. The study used monthly data from January 1959 to December 1966 for 11 countries that included USA, Canada, UK. In a study centered on the abnormal crash of the US stock market in October 1989 and the subsequent ripple effects around the world, King and Wadhwani (1989), examined a ‘rational expectations price equilibrium’ and a model of contagion between markets as an outcome of rational attempts to use imperfect information about the events relevant to equity value. The result, as interpreted using simple variance across markets and volatility coefficients of Tokyo, London and New York, supported the contagion hypothesis. Eun and Shim (1989) used a Vector Auto Regression framework to analyze whether equity movements in one market can be explained by innovations in other markets and how rapidly information gets transmitted from one market to the other. Mathur and Subramanyam (1990) used Granger causality to see if the Nordic markets of Sweden, Norway, Denmark and Finland were integrated. Engle and Ng (1993) investigated behavior of volatility in 18 international markets covering East Asia, Europe and North America. The study looked at the univariate statistics and fitted a univariate ARCH model to the 18 markets and observed some similarities including that the second moments might be related for some of the countries on a bilateral basis and as a group. An investigation exclusively focused on the transmission of stock return and volatility in the North American market was conducted by Karolyi (1995). The study used conditional heteroscedasticity family models along with Vector Auto Regression to assess the transmission mechanism of volatility for the US and Canadian markets for the period from April 1981 to December 1989 using daily data of New York Stock Exchange (NYSE) and Toronto Stock Exchange (TSE). The study found bivariate

GARCH model. An extreme value – Vector Auto Regression (VAR) model was used by Booth et al.(1997) in a study of the volatility transmission among US, UK and Japanese markets. The variable used in the VAR model was the extreme value variance obtained by using the Garman and Klas technique. Christensen (2003) investigated volatility spill over in European bond market using AR- GARCH models. He separated the shocks to individual country effects in to three: local – own effect, regional – European effect and global – US effect.

Indian stock market volatility

Studies on the volatility spillover of Indian market have been far and few. In one of the earliest studies, Sharma and Kenndy (1977) examined the price behavior of Indian market with US and London markets. The objective of their study was to test the random walk hypothesis by runs analysis and spectral densities for Bombay Variable Dividend Industrial Share Index (BVDISI), New York S&P 425 common stock Index (S&P 425) and the London Financial Times Actuaries 500 (London FTA). The test period covered 132 monthly observations from 1963 to 1973. The study found that the behavior of BVDISI was statistically indistinguishable from that of London FTA and S&P 425. In the runs analysis the expected distribution of lengths turned out to be very similar, with probability equal to 0.5 for rise or fall. Further, the spectral densities estimated for the first difference series of each index confirmed the randomness of the series with no evidence for the existence of symmetric cyclical component neither was there any periodicity found to be present.

OBJECTIVE OF STUDY

i) The first objective has been to analyze the transmission of volatility across international markets. For this purpose the study uses the markets of India (Nifty), Japan (Nikkei), USA (S&P 500)

ii) The second objective deals with risk-return dynamics in the Indian equity market by analyzing the existence of risk premium.

HYPOTHESES OF THE STUDY

i) The study hypothesises the existence of a positive risk premia for equity markets as it is absolutely necessary for the participants to take on additional risk. This is borne by theory as well.

ii) It is expected that there will be a spillover of volatility as well as return from one market to the other as nations are getting more and more integrated in terms of flow of capital as well as trade relations.

TOOLS USED

The study uses models like GARCH, EGARCH, Historical Simulation, EWMA used by NSE Nifty Junior, Nikkei.

Data collection

Daily return is used in the study and the return was found out by taking the log of the difference of index closing prices on successive days and ranges from January 1 2015 to July 2005. Since there are three markets and all of them do not operate on the same day during the entire period, whenever a market was closed for trading for a particular day the return for all the markets for that day have been removed and hence the final number of observations is 2426 though the original number runs from 2547 for S&P 500 to 2642 for Nifty. All the returns are measured in the local currency. Nifty is a free floating index consisting of a well balanced portfolio of 50 common stocks. For Nikkei and S&P 500 the number of scripts is 225 and 500 respectively. Data for Nifty return was collected from the official website of the National Stock Exchange of India and those for Nikkei and S&P 500 were collected from econstats.com.

Data Analysis

As a starting point of the discussion on the volatility spill over between Nikkei, Nifty and S&P 500, it would be prudent to have a feeling of the movement of the indices over the study period. It would give a primary idea about the response of each market to major market collapses overseas and also to sustained booms. The markets have been indexed to a base of 5000 for easy comparison.

Table:1 Comparison of Nikkei, Nifty and S&P 500 performance is as follows

Parameters	NKR	NR	SPR
Mean	0.007721	0.079532	0.036720
Median	0.003201	0.137692	0.069166
Maximum	7.488904	10.91974	5.732732
Minimum	-7.394275	-15.59416	-6.865681
Standard Deviation	1.474644	1.694858	1.163450
Skewness	0.018850	-0.375880	0.000898
Kurtosis	4.668100	10.50497	5.856090
Jarque-Bera	281.4139	5750.605	824.5621

Note: NKR, NR and SPR stands for Nikkei, Nifty and S&P 500 return.

Nifty has the best average return while S&P 500 is seen to be the least risky market. The normality assumption is rejected for all the three markets conclusively as the Jarque-Bera statistic is quite high. Only Nifty among the three is negatively skewed while the other two have slightly longer right hand tails

Table:2 Test of Stationarity

Indices	ADF	Philips-Perron	KPSS
NKR	-50.3284 (-3.4328)	-50.5839 (-3.4328)	0.3219 (0.7390)
NR	-47.2539 (-3.4328)	-47.2154 (-3.4328)	0.2284 (0.7390)
SPR	-50.0039 (-3.4328)	-50.4042 (-3.4328)	0.2059 (0.7390)

Figures in the parentheses show t values at one percent level of significance

The result shown here is for the return series and all the three measures of stationarity confirm the stationary properties of the return data. Notice here that the ADF and PP tests have non stationarity as the null hypothesis.

Table:3 Correlation Matrix

Indices	Nikkei	Nifty	S&P 500
Nikkei	1	0.027027	0.316011
Nifty	0.027027	1	0.079530
S&P 500	0.316011	0.079530	1

The result shows that there is very little co-movement between the markets as the highest value is the 0.31 between Nikkei and S&P 500. Nifty seems not to be moving in tandem with Nikkei and S&P 500 as the correlation coefficients are at a paltry 0.02 and 0.07 respectively.

Volatility Spillover

Mean and volatility spillover has been studied using the AR (1) - GARCH (1, 1) model. The mean equation of each of the domestic market has the return of the other two markets individually as explanatory variables and the volatility equation has the residual from the volatility equation of the other two markets individually as explanatory variables. Further, the return and residuals of the foreign markets have been combined in the mean and volatility equation respectively of the domestic market to see if the addition of the second market imparts any additional explanatory power in the equation of the domestic market.

Table:4 Basic model with Garch

Parameters	Nikkei	Nifty	S&P 500
τ	0.0517 (2.0715)	0.1373 (5.3058)	0.0646 (3.5588)
μ	-0.0153 (-0.6907)	0.0790 (3.8498)	-0.0338 (-1.5399)
α	0.0252 (2.6275)	0.1159 (4.2189)	0.0090 (2.5344)
β	0.0728 (6.6673)	0.1185 (6.4798)	0.0648 (6.7390)
γ	0.9169 (74.0378)	0.8429 (39.7728)	0.9303 (93.3784)
Skewness	0.0163	-0.2834	-0.0204
Kurtosis	4.6864	10.4611	5.8597
Ljung-Box Q (6 lags)	9.3281	14.183	22.369
Ljung-Box Q (12 lags)	16.62	32.61	27.809

Nifty has the return and residuals of Nikkei as explanatory variable in the mean and variance equations, S&P 500 has the return and residuals of Nifty as explanatory variables in its mean and variance equations and Nikkei has the return and residuals of S&P 500 as explanatory variables in its mean and volatility equations respectively

Table:5 Spillover Model for the Near Market with GARCH*

Parameters	Nikkei	Nifty	S&P 500
τ	0.0334 (1.4390)	0.1388 (5.5940)	0.0543 (3.0188)
μ	-0.0635 (3.0735)	0.0703 (3.5322)	-0.0518 (-2.3183)
η	0.4334 (18.1339)	0.2356 (12.3574)	0.0657 (5.6892)
α	0.0113 (1.6329)	0.0803 (3.3726)	0.0059 (1.6238)
β	0.0623 (5.7845)	0.1168 (6.3997)	0.0650 (6.4926)
λ	0.9128 (71.3752)	0.8434 (41.1261)	0.9263 (87.9690)
ρ	0.0298 (3.7452)	0.0156 (2.1780)	0.0025 (2.3210)
Skewness	0.0174	-0.1902	0.0076
Kurtosis	4.7708	9.7257	5.9093
L-B (6 Lags)	10.152	13.487	25.15
L-B (12 Lags)	18.053	29.853	31.018

The result supports the hypothesis that a particular market is likely to be influenced by the return and volatility of the market that closed just prior to the opening of the former. Model specification has improved for Nifty while it has worsened for S&P 500. Skewness and Kurtosis are at acceptable levels except for the Kurtosis of Nifty which is again observed at a comparatively high 9.7257.

Table:6 EGARCH for Nifty with Normal Distribution

ARMA	EGARCH	Observations	Coverage	LRuc	LRind	LRcc	Coverage	LRuc	LRind	LRcc
(1,0)	(1,1)	250	94.8	0.0832	0.0343	0.2243	97.8	10.8382*	0.3507	11.3262*
		500	94.8	0.0832	0.6082	0.7983	97.7	12.4853*	0.4435	12.8825*
		1000	95	0	0.8550	0.9576	98.1	6.4725*	0.8032	7.3141**
		1500	95.6	0.7885	1.8835	2.7620	98.3	4.0910**	1.1211	5.2464
(2,0)		250	94.7	0.1860	0.0138	0.3081	97.9	9.2840*	0.5493	9.8758*
		500	94.4	0.7308	1.0696	1.9157	97.7	12.4853*	0.3507	12.8825*
		1000	95.1	0.0212	0.9956	1.1173	98.1	6.4725*	0.8032	7.3141*
		1500	95.7	1.0807	2.1004	3.2691	98.3	4.0910**	1.1211	5.2464
(0,1)		250	94.8	0.0832	0.0343	0.2243	97.9	9.2840*	0.5493	9.8758*
		500	94.8	0.0832	0.6082	0.7983	97.7	12.4853*	0.3507	12.8825*
		1000	95.1	0.0212	0.9956	1.1173	98.1	6.4725*	0.8032	7.3141*
		1500	95.7	1.0807	2.1004	3.2691	98.3	4.0910**	1.1211	5.2464
(0,2)		250	94.7	0.1860	0.0138	0.3087	97.9	9.2840*	0.5493	9.8758*
		500	94.4	0.7308	1.0696	1.9157	97.7	12.4853*	0.3507	12.8825*
		1000	95.1	0.0212	0.9956	1.1173	98.2	5.2251**	0.9535	6.2150**
		1500	95.7	1.0807	2.1004	3.2691	98.4	3.0766	1.3076	4.4165
(1,1)		250	94.6	0.3287	0.0025	0.4422	97.9	9.2840	0.5493	9.8758*
		500	94.4	0.7308	1.0696	1.9157	97.8	10.8382*	0.4435	11.3262*
		1000	95.1	0.0212	0.9956	1.1173	98.1	6.4725*	0.8032	7.3141*
		1500	95.7	1.0807	2.1004	3.2691	98.3	4.0910**	1.1211	5.2464
(1,2)		250	94.7	0.1860	0.0138	0.3087	97.9	9.2840*	0.5493	9.8758*
		500	94.3	0.9889	0.9238	2.0301	97.8	10.8382*	0.4435	11.3262*
		1000	95.1	0.0212	0.9956	1.1173	98.1	6.4725*	0.8032	7.3141*
		1500	95.7	1.0807	2.1004	3.2691	98.4	3.0766	1.3076	4.4165
(2,1)		250	94.6	0.3287	0.0025	0.4422	98	7.8272*	0.6688	8.5365**
		500	94.3	0.9889	0.9238	2.0301	97.7	12.4853*	0.3507	12.8825*
		1000	95.1	0.0212	0.9956	1.1173	98.1	6.4725*	0.8032	7.3141*
		1500	95.7	1.0807	2.1004	3.2691	98.4	3.0766	1.3076	4.4165
(2,2)		250	94.8	0.0832	0.0343	0.2243	97.9	9.2840*	0.5493	9.8758*
		500	94.3	0.9889	0.1816	1.2880	97.7	12.4853*	0.3507	12.8825*
		1000	95	0	0.8550	0.9576	98.1	6.4725*	0.8032	7.3141**
		1500	95.7	1.0807	2.1004	3.2691	98.3	4.0910**	1.1211	5.2464

Table: 7 Historical Simulations

i Number of Observations	Nominal Coverage	LR_{uc}		LR_{cc}	Nominal Coverage	LR_{uc}	LR_{ind}	LR_{cc}
s 250	94%	1.9842	17.9864*	20.0944*	98.8%	0.3798	14.0119*	14.4158*
t 500	92.9%	8.2609*	13.3069*	21.7151*	98.4%	3.3066	16.4512*	58.5064*
o 1000	93.9%	2.3877	11.2652*	13.7787*	98.8%	0.3798	14.0119*	13.6137*
r 1500	95%	0	21.9262*	19.0005*	99%	0	16.5035*	15.5155*

Table: 8 Historical Simulations for Nikkei

Number of Observations	Nominal Coverage	LRuc	LRind	LRcc	Nominal Coverage	LRuc	LRind	LRcc
250	95.4%	0.1045	3.2216	3.6615	99.1	0.4337	0.1627	0.2853
500	94.8%	0.4337	0.6081	0.7981	99.2	0.3798	0.1285	0.5783
1000	94.9%	0.4337	0.7259	0.8515	99.2	0.8306	0.1285	0.5783
1500	94.5%	0.3798	0.3208	0.9444	98.8	0.3798	0.2915	0.6954

Table: 9 Exponentially Weighted Moving Average

Number of Observations	Nominal Coverage	LRuc	LRind	LRcc
250	99.2%	0.4337	3.8542**	4.3040
500	99%	0	2.8500	2.9920
1000	99.2%	0.4337	3.8542**	4.3040
1500	99.5%	3.0937	3.2189	8.9403**

Table: 10 Exponentially Moving Averages for Nikkei

Number of Observations	Nominal Coverage	LRuc	LRind	LRcc
250	99.5%	3.0937	0.0501	3.1539
500	99.4%	1.8862	0.0722	1.9705
1000	99.3%	1.0156	0.0983	1.1280
1500	99.2%	0.4337	0.1285	0.5783

FINDINGS AND CONCLUSIONS

The present study has attempted an investigation into the volatility spillover among Nikkei, Nifty and S&P 500. The relation and the approximate influence of one market on the other was analyzed with the help of VAR model and then the volatility spillover from an individual foreign market to the domestic market and combined volatility spillover from the two foreign markets to the domestic market was also examined using the GARCH model. In order to account for the asymmetry present in the markets a similar investigation was made with the EGARCH model. Checking for volatility and spillover using the conditional volatility models, it was observed that there was across the board spillover of mean among the three markets, whether they were taken in the chronological order of functioning or as a group. The result did not change with EGARCH also. Most of the times mean spillover effect from foreign market was seen to be as great as to shadow its own effect on its mean through the autoregressive term. But there were significant findings in the volatility spillover study. It was found that volatility of domestic market was influenced by the volatility of foreign market that closed immediately prior to the opening of domestic market. Taking the other two markets together, it was seen that while Nikkei and Nifty followed the same pattern as in the individual models, differed from it in that the volatility of the market was not defined either by volatility of Nifty or Nikkei while it was actively spilling volatility in to Nikkei. The significant conclusion of the study is that the US market acts independently with respect to Nikkei and Nifty and is the most important producer of information that affects the mean and volatility of the other two markets. Between the other two markets, Nifty is observed to be less influential. It is seen to follow the other two markets.

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ATTITUDES AND EMPLOYEES PERFORMANCE - AN ANALYSIS

Dr.B.Dharma, Asst. Director
Dr.B.R.Ambedkar Open University,
Jubilee Hilss, Hyderabad

INTRODUCTION

Attitudes are the feelings and beliefs that largely determine how employees will perceive their environment, commit themselves to intended actions, and ultimately behave. Attitudes form a mental set that affects how we view something else. It has an impact on how we view and judge our surroundings at work. Managers of organizational behaviour are vitally interested in the nature of the attitudes of their employees toward their Jobs, toward their careers, and toward the organization itself .Job attitudes of the employees are most important to achieve the individual and organizational objectives through their performance. Hence the present study is intended on job attitudes such as job involvement and satisfaction, and employee performance of ICICI bank employees. Paullay, Alliger and Stone-Romero (1994) defined job involvement as ‘‘The degree to which one is cognitively preoccupied with, engaged in, and concerned with one’s present job’’(p. 225). It is one of the key factors of employee’s empowerment and employee’s participation in decision making. Involvement in decision-making and other related matters of one’s job can enhance the performance of employee. It also creates the sense of ownership in employees who are involved in decisions regarding their job and its related activities. Researchers showed great interest in employee, involvement practices and their outcomes (Fenton-O’Creevy and Nicholson, 1994). Involvement in work and alienation from work effect the standard of one entire’s life experience (Argyris, 1964; Levinson, 1976). Job satisfaction is a set of favorable or unfavorable feelings and emotions with which employees view their work. It is an affective attitude - a feeling of relative like or dislike towards something (Newstrom, and Davis, 2001) Job satisfaction studies focus on the various parts that are believed to be important, since these Job – related attitudes predispose an employee to behave in certain way

HYPOTHESIS

The following hypotheses are formulated in the study

1. There is a significant relationship between attitudes and employees performance.
2. Job satisfaction has a greater impact on performance rather than Job involvement.

OBJECTIVES OF THE STUDY

The main object of the study is to examine the relationship between attitudes and performance and the specific objectives are;

1. To find out the impact of attitudes on employees' performance
2. To suggest the organization to increase the performance of employees.

Data collection and sampling design

Primary data were used for the study. Primary data have collected through the questionnaire developed by the researcher after the review of literature. The samples for the study were the employees of ICICI bank in Hyderabad.

RESEARCH METHODOLOGY

An instrument was developed by the researcher to measure the perceived level of satisfaction, involvement, and performance and then distributed among the respondents with the five- point Likert scale ranging from always to never. Six statements are given to measure the satisfaction, fifteen statements to measure involvement and seven statements for performance. Major Satisfaction factors as skill usage, sense of accomplishment, and work issues, are included in the instrument. Motivation, work schedules, job involvement, job security stress, superior relationship and other issues are considered to measure the involvement. Similarly, work knowledge, serving customers, knowing what customers expect, better working tips are used to measure performance. Satisfaction and involvement are independent variables where as performance is the dependent variable. To find out this relationship, multiple correlation analysis was carried out. Further multiple regression, t- test were also used to test the hypothesis.

RESULTS AND DISCUSSION

Cronbach's alpha value was calculated for variables; attitudes and performance. Thus the reliability measure was 0.81, 0.85, and 0.92 for satisfaction, involvement and performance respectively. These measures confirmed that the data were highly reliable. Then the analysis was continued.

Table 1:- Correlation matrix of variables

Variables	Satisfaction	Involvement	Performance
Satisfaction	1	0.890 **	0.813 **
Involvement	0.890 **	1	0.768 **
Performance	0.813 **	0.768 **	1

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

Above table indicates that satisfaction, involvement and performance are significantly correlated at 0.01 significance level. There is positive relationship between attitudes and performance. Hence hypothesis 1 is accepted.

Regression model was applied to test how the attitudes (satisfaction and involvement) impact performance. Coefficient of determination-R2 is the measure of proportion of the variance of dependent variable about its mean that is explained by the independents or predictor variables (Hair et.al, 1998). Higher value of R2 represents greater explanatory power of the regression equation. In this way, a multiple regression analysis was performed to identify the predictors of satisfaction and Job –involvement as conceptualized in the model. Table 2 provides the summary measures of the model.

Table 2: Predictors of performance –model summary

Model	R	Square	Adjusted	Std.Error of
			R square	The Estimate
1	0.869 a	0.756	0.751	1.76341

a predictors; (constant) satisfaction and involvement.

The specification of the two variables ie satisfaction and involvement in the model revealed the ability to predict performance. R2 Value of 0.751 which is in the model denotes that 75.1%, of the observed variability in performance can be explained by the differences in both the independent variables namely satisfaction and involvement. Remaining 24.9% of the variance in performance is related to other variable which is not explained, because they are not depicted in the model. R2 value of 75.1% indicates that there may be number of variables which can have an impact on performance that need to be studied. Hence this area is indicated as a scope for future research.

Table 3; coefficients for predictors of performance

	Model	Unstandardized coefficients		Standardized coefficients	t	Sig
1	(Constant)	12.345	2.2349		4.882	0.000
	Satisfaction	.331	.502	.241	1.764	.019
	Involvement	.232	.093	.233	1.780	.002

At the above mode, t values are significant for both the independent variables (sig.001) and therefore we can reject the null hypothesis. Both variables have a positive coefficient, which means that performance increases with increasing level of satisfaction and Job involvement. The study finds that high levels of satisfaction and involvement would be associated with higher level of performance and the study proves that satisfaction and involvement will impact on the level of performance. But involvement has a greater impact on performance than the satisfaction. Therefore hypothesis 2 is not accepted.

CONCLUSION

Job satisfaction does impact future performance through the Job involvement, but higher performance also makes people feel more satisfied and committed. It is a cycle of events that is clearly in keeping with the developmental perspective (Alan Randolph .et.al, 1998). Attitudes such as satisfaction and involvement are important to the employees to have high levels of performance which was conceptualized and supported by the findings of the present study. The results of the study and from the formulated hypotheses revealed that attitudes namely satisfaction and involvement, and performance are significantly correlated. Correlation between involvement and performance is somewhat higher than the correlation among satisfaction and performance. Even though attitudes have a greater impact on performance (75.1%). Involvement has a greater impact rather than the impact of satisfaction on the performance and hence hypothesis 2 is rejected To conclude, satisfaction, performance and involvement are associated and inter-related and together lead to the realization of organizational objectives.

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ONLINE BUYING BEHAVIOUR OF INDIAN CONSUMERS

Dr.Sunitha Chakravarthy, Assistant Professor
Department of Management,
Kakatiya Institute of Technology and Science, Warangal.

Prof.G.V.Bhavani Prasad, Retired Professor
University college of Commerce & Business Management,
Kakatiya University, Warangal.

ABSTRACT

Consumers are playing an important role in online shopping. The increasing use of Internet by the younger generation in India provides an emerging prospect for online retailers. If online retailers know the factors affecting Indian young consumer's buying behaviour, and the associations between these factors and type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones. The four key dimensions of online shopping as perceived by young consumers in India are identified. Besides that it is discovered that website design, website reliability, customer service and trust are the four key factors which influence young consumers' perceptions of online shopping. The present paper focuses of the factors, challenges and measures to be taken by retailers to understand online buying behaviour of consumers in India.

Keywords: Online Shopping, key factors, consumers, India.

INTRODUCTION

Commerce via the Internet, or e-commerce, has experienced rapid growth since the early years. It is well known to most of the Internet researchers that, the volume of online business-to- consumer (B2C) transactions is increasing annually at a very high rate. According to ACNielsen (2007), more than 627 million people in the world have shopped online. Forrester (2006) research estimates e-commerce market will reach $228 billion in 2007, $258 billion in 2008 and $288 billion in 2009. By 2010 e-commerce will have accounted for $316 billion in sales, or 13 percent of overall retail sales. ACNielsen also reported that, across the globe, the most popular items purchased on the Internet are books (34%), followed by videos/DVDs/games (22%), airline tickets/reservations (21%) and clothing/accessories/shoes (20%). Goecart forecasts that US online population will increase nearly 50%, from 1471.5 million in 2001 to 210.8 million by 2006 (Cumulative Annual Growth Rate of 8.2%) and online retail sales will grow from US$47.8 billion in 2002 to $130.3 billion in

2006. Similarly WIPO (2007) cited that about 10% of the world's population in 2002 was online, representing more than 605 million users. A mid-2005 survey by the Indian Communication and Multimedia Corporation (ICMC), only 9.3% of Internet users had purchased products or services through the Internet during the preceding three months. Among those who did so, airline tickets were the most popular items (43.8%) followed by books (15.6%) and music (6.8%). Amounts spent on these items were small, however, with 57.7% of transactions worth less than M$500. Moreover, it is expected Indian online sales will increase every year at a high growth. Much research has been concentrated on the online shopping in the world. However, there is still a need for closer examination of the online shopping buying behavior in specific countries. Both established and new, large and small scale businesses are now using the Internet as a medium of sales of their products and services (for example Dell computer, Amazon.com, in the world and jobstreet.com, blooming.com in Malaysia). Still a huge research gap exists not only between countries, especially between developed and developing countries, which may differ significantly between countries (Stiglitz, 1998; Shore, 1998; Spanos et al., 2002) that limit the generalization of research results from developed countries to developing country contexts (Dewan and Kraemer, 2000; Clarke, 2001). Shore (1998) and Stiglitz (1998) reported that implementation of information systems depend on specific social, cultural, economic, legal and political context, which may differ significantly from one country to another country. Dewan and Kraemer (2000) and Clarke (2001) argued in their study that findings from developed countries are not directly transferable to developing countries. Thus, this research is needed for non-transferability of findings from research in developed countries and also for the improvement of understanding of the determinants of online shopping in developing countries.Online shopping holds a great potential for youth marketers. According to Vrechopoulos et al. (2001) young are the main buyers who used to buy products online. Dholakia and Uusitalo (2002) examined the relationship between age and Internet shopping; they found that younger consumers reported more online shopping. Another study by Sorce et al. (2005) found that younger consumers searched for more products online and they were more likely to agree that online shopping was more convenient. Online shopping provides all type of goods to be available in the virtual world. It is just like a shop in the neighborhood, selling all types of goods but with some prominent differences. Here one can access these shops any time without stepping out of home / office. It can be accessed any time when you are on the move, relaxing in your home or having a time out at your office. Here all the products are displayed with the price and detailed mention of the features. Potential customers can have a look at them, analyze it on all the parameters like features, price and availability and at the same time compare them with what other similar online shopping outlets are offering and can get the best deal out of it.

Specific features of online-shopping

1. It is based on the concept of flexi time.
2. It can be accessed from anywhere.
3. One can evaluate many online shopping stores at a time.
4. Comparison can be made in real time.
5. There is provision of replacement of product if it is not as per the aspiration of the customer.
6. Casual shopping.

Factors affecting online shopping

There are a number of streams of research that are relevant to this study. These include those addressing the factors that have significant effect on online shopping (Shergill and Chen, 2005; Phau and Poon, 2002; Jarvenpaa and Todd, 1997; George, 2002a; George, 2004b; Ward and Lee, 2000; Hellier et al., 2003). We identified the factors that were found to be significant in previous research about online shopping. In this research we utilize the four factors i.e. website design, reliability, customer service and security/privacy as defined by Shergill and Chen (2005) in their empirical study in New Zealand. Web site design of a web page is one of the most important factors that influences online shopping. Shergill and Chen, (2005) identified web site design characteristics as the dominant factor which influences consumer perceptions of online purchasing. By using a sample of 214 online shoppers, Ranganthan and Ganapathy (2002) found four key dimensions of online shopping namely web sites; information content, design, security and privacy. They concluded that though all these dimensions have an impact on the purchase intention, security and privacy will have greater impact on purchase intent of online buyers. Turban et al. (2002) argue that elegant design of web site will better serve its intended audiences. According to Kin and Lee (2002) web site design describes the appeal of the user interface design presented to customer and customers are willing to visit more often and stay longer with attractive web sites (Shaw et al., 2000). Following them. Than and Grandon's (2002) study found that quality web site design is crucial for online shopping. Reliability is one of the important factors that have the most influential effect on online shopping. Reliability is closely associated with risk since it is a measure of customers' perceptions about whether or not merchants can be counted on to deliver on their promises (Vijayasarathy and Jones, 2000). According to Jun et al. (2004) online consumers apparently want to receive the right quality and right quantity of items that they have ordered within the time frame promised by the retailers, and they expect to be billed accurately. Accordingly, to be considered as reliable, online service providers, must deliver the promised services within the promised time frame (van Riel et al., 2003). Studies by Mayer et al., (1995) and Hoffman et al., (1999) reveal that trust and consumer motivation have a significant relationship. Other studies found that a high level of trust by buyers stimulates favourable attitudes and behaviour (Anderson and Narus, 1990). A consumer's trust in an Internet store can be thought as the consumer's trust directly in the store. Nevertheless, Hoffman et al (1999) argued that the effectiveness of third-party trust, certification bodies and the public key encryption infrastructure for ensuring financial security, are the central success factors for building consumer trust in Internet shopping. Kini and Choobineh (1998) suggested that trust in the Internet business is necessary, but not sufficient, for an Internet buying behaviour to take place. The consumer must also trust the transaction medium for online shopping. The review of empirical studies has embodied different factors which influence online purchasers' behaviour. The antecedents of online purchase include many attitudinal components; for example, attitude towards online shopping and perceived risk of an online purchase. Consumers' online shopping experiences, website and fulfillment of quality expectations are deemed as the major components to successful online transactions. In essence, our interest is in discovering the factors affecting consumers' intent to buy online as well as in quantifying their relative importance. Specifically, through surveying consumers based on literature, we are interested in identifying and rank-ordering factors affecting intent to buy online in India.

Challenges faced by Indian Consumer

While online shopping is a good place for bargain hunting and to get products at a very competitive price, it somehow has not worked its charm in India. The main reason for this is that Indian consumers do not get any real value or incentive from this trend. Also they are wary about fraud, delivery and customer service which is not far from the truth. Following are some of the few challenges consumers in India face:

1. Spread of Internet

the biggest problem in making online shopping a success in India is the limited spread of internet services. Due to low usage rate of internet, online shopping will take time to become a common way to shop.

2. Language Barrier

As most of the online shopping portals are in English, this has also posed a great problem in front of prospective buyers. In a country like India where English is not the mother tongue, it's wide use on internet many times creates problem due to lack of understanding on the part of the customers.

3. Plastic money

Less prevalence of credit card is one more reason for the consumer remaining away from this modern means of shopping. Although many sites are also accepting cheques, cash on delivery and bank demand drafts, still a larger section of service providers rest on this plastic money.

4. Limited choice:

Online consumers in India are facing a narrow range and limited choice of merchandize. Even the leading sites like 'ebay.in', 'indiaplaza.in', 'indiatimes' or 'rediff' have very limited range of items and therefore are hardly attractive.

5. Inefficient and delayed service:

Many cases of delayed delivery, damaged or inferior goods, quality issues and even instances of cheating where the goods were never shipped have been reported. The much proclaimed ease and convenience comes with a heavy price and overall, Consumers do not have a good experience with the results of online shopping.

6. Overpricing of Products:

Most of the goods are overpriced and if at all any products are priced at a reasonable rate, its quality is compromised. Besides that, there is no feature like exciting prices, killer deals, delivery guarantee, after sales support nor replacement warranty.

MEASURES TO BE TAKEN TO MAKE ONLINE BUYING POPULAR

1. E-commerce awareness

One of the biggest challenges for Online Shopping has been the skepticism surrounding security aspects of e-commerce, which has lowered confidence levels. Only remedy to this is to strengthen the transaction security to gradually build up confidence in online payment.

2. Varied payment options

In order to attract more and more customers, e-tailers have to increase the payment options as there are only small sections of people in India who are having credit cards and this also hampers some who are willing to shop online. More options like cash-on-delivery, money transfer, cheques or demand drafts, end-to-end payment should be made available to the customer who can adopt the best-suited method.

3. Awareness regarding security measure

Security issues still continues to be a major drawback and trends like AVS (Address Verification System), PIN for credit cards, smart cards, digital signatures, e-cards, and easier intra- and inter-bank transactions online need to be made more prominent. Teaching Consumers to transact only on secure internet connections is also necessary.

4. Highlight the benefit of shopping at home

Potential customers should be convinced of the benefits of shopping from home without having the pain of going out in the crowded places.

5. Make the prices more competitive

The price offered for online shopping should be made more competitive as compared to the prices of goods available in shops. Then only will the customers feel motivated to buy online.

6. Stress on special offers

Customers should be made aware about the varied sales promotion schemes, which will make online buying more attractive and popular among the buyers.

7. Emphasis on after sales & service

The biggest hindrance in the path of online shopping becoming more popular is the question “who is to blame” if the product is not functioning well. Therefore, there should be more stress on the quality of products and durability of the products, which are offered for sales and along with that assurance of after sales service.

THE RESEARCH MODEL

The research model empirically tested in this paper contains constructs that have demonstrated literature support, based on a number of research studies done in this area in different countries, particularly online shopping on end-user perspective. The schematic diagram of the research model below shows the relationship between dependent and independent variables. Essentially, the theoretical framework shown below is the foundation on which the entire paper is based on. Online shopping is the dependent variable in this study. The dependent variable is analyzed in this study in order to find out the answers or solution to the problem. Hence, the independent variables in this study are website design, reliability, customer service and trust. The independent variables are believed to be the variables that influence the dependent variable (online shopping intent) in either a positive or a negative way.

CONCLUSION

Consumer’s perceptions influence their intention to buy online. More specifically, consumers’ perceptions of the customer service, reliability and trust of online purchasing exhibit significant relationships with their online buying intention. Trust has received the most consistent support as factors that influence online buying (Gefen, 2002; Jarvenpaa et al., 1999, 2000; Koufaris and Hampton-Sosa, 2004; Koufaris and Hampton-Sosa, 2002). Marketers need to realize that the online marketing environment affects the way consumers view and develop relationships, to add value to the online shopping experience and to build relationships, trust is everything. Hence Customer Service, Trust and Reliability can explain much of the variation in online buying intention (Shergil & Chen,2005; Gefen, 2002; Jarvenpaa et al., 1999, 2000; Koufaris and Hampton-Sosa, 2004). A good perception of the customer service is considered as the best predictor when individuals have more experience with online buying, the impact of perceived factors on intentions to buy online is different from that of inexperienced online buyers. Experience of consumers over a period of time undoubtedly has the potential to modify future intentions of online buying behaviour of consumers in India.

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A STUDY ON EMERGING TRENDS IN MARKETING

V. Sravani Chari, Associate Professor
St. Pauls College of Management and IT,
Turkayamjal, Hyderabad.

ABSTRACT:
Dramatic changes are occurring in the marketing arena. The boom in digital technology has created new ways to learn about and relate to individual customers. It has also allowed new approaches by which marketers can target consumers more selectively and build closer, two way customer relationships. In an increasingly smaller world, many marketers are now connected globally with their customers and marketing partners. Marketing in the 21st century has experienced a paradigm shift. The new millennium gave a new dimension to marketing by converting the customer oriented marketing approach of 1990's to customer driven approach of marketing. This paper mainly focuses on the latest trends taking place in the marketing environment.

KEYWORDS: Marketing, Digital Marketing, Viral Marketing, Relationship Marketing, Online Marketing, Sustainable Marketing.

INTRODUCTION:
The present era is the era of marketing. Marketing has taken over all other functions of management. The product design which was earlier an exclusive production function is now the primary function of marketing management. Human Resource Management is also been throttled by internal marketing. Even strategic management now implies marketing management. Marketing now has taken the driver's seat in business and the very word "marketing" now defines the way we live. Hence marketing is no more a marketer's domain but a co-venture of marketers as well as customer's. Marketing in the 21st century has experienced a paradigm shift. The new millennium gave a new dimension to marketing by converting the customer oriented marketing approach of 1990's to customer driven approach of marketing. Involvement of customer in product design and development, branding and packaging and advertising decisions is now what is being practiced. Further more the rapid increase in use to technology, concern for society and environment, explosion of social media, internet have led to emergence of new and varied trends in the field of marketing which are highly adopted by marketers today to gain competitive advantage.

The major trends emerged are as follows:

VIRAL MARKETING:
The recent success of the soup song "why this kolaveri di", has brought to the fore

the strategy of viral marketing. The song that otherwise lacks glamour and is far from any traditional genre of music has made it to the Hall of Fame of YouTube with 210000 downloads within 18 days of being launched. Coming to what viral marketing is- viral marketing is a form of online marketing that uses a word of mouth technique to spread its messages. The word viral refers to how quickly a message propagates via links in emails, e-newsletters, blogs, websites, online videos that point to a product or service people might find of interest. Viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating a potential for exponential growth in the message's influence and exposure. This is similar to the way virus procreates exponentially. The best part of viral marketing is no big budgets are required. One just needs to make a good enough video (most common these days) and it goes viral. (if it is good enough and the right people notice it along) The amount of influence certain customer's views and words can have is tremendous, and the success of viral marketing greatly depends on that. However there have been numerous instances when viral marketing has worked negatively and backfired, which cant' be ignored. A new kind of viral marketing has taken up off late, where it is not the product that is marketed, but the campaign that gets marketed. The best way to ensure that a viral marketing campaign succeeds is to build this viral into the product. Make the product such that it spreads, because this is how it was made. The product should be spreadable, interesting and should somehow benefit all those who spread it. The real hard part about viral marketing is to make it work to create something valuable. But if used wisely with proper planning, viral marketing can be the best tool to showcase a product in the market, directly to customers, on a meager budget; it will help in slashing down the marketing costs. And if Kolaveri Di, YouTube etc., can work, everything if worked on properly can go viral.

DIGITAL MARKETING:

We live in a super connected world these days and advertising and marketing are no longer the same birds, they once were. This is especially true due to rise of digital technology, which has changed how businesses communicate with potential and existing clients. The speed and ease with which the digital media transmits information and help boost a business is amazing. Digital Marketing is a collective term which is used where marketing is integrated with internet technology and other forms of new media. It is the term used for the targeted, measurable, and interactive marketing of products or services using digital technologies to reach the viewers, turn them into customers, and retain them. In simple terms - Digital Marketing is the promotion of products or brands via one or more forms of electronic media. Digital Marketing is the marketing that makes use of electronic devices (computers) such as personal computers, smart phones, cell phones, tablets, and game consoles to engage with stakeholders/customers. It is the process of building and maintaining customer relationships through online activities to facilitate exchange of ides, products and services that satisfy the services of both the parties. It entails marketing of goods and services using digital technologies and digital mediums. It applies technologies or platforms such as websites, e-mail, apps (classic and mobile) and social networks.

SOCIAL MEDIA MARKETING:

Today's era of Internet has opened a gate of vast variety of opportunities for businesses. Using social networks, one cannot only share a private picture of one's birthday but also earn customers for one's business and reach them conveniently. This has led to the emergence of Social Media Marketing. Social Media Marketing (SMM) is the process of generating website traffic or attracting viewers and customers through social networking websites. SMM allows two-way communication between company and consumer in a way that wasn't previously seen. It has changed the approach of business towards marketing, now the consumer holds the power rather than the company itself. At present Social Media Marketing has risen hugely in popularity and there are now countless dedicated agencies scattered around the web which promise to help with it. Facebook, Twitter, Pinterest and LinkedIn are all examples of social networks which can be used as part of one's marketing efforts, although they are far from the only ones. Social media grew up as the most popular outcome of the Internet as people around the world like to communicate and share their special moments, problems, ideas, and suggestions with others. They also like to learn about a place worth visiting, a new craft projects, recipes, or a new language. Social media websites enable you to share content of your choice with right audience at your convenience. This popularity of social media has inspired business minds around the world with the idea of small online businesses.

GREEN MARKETING

Rapidly changing environment is now a major concern for the people throughout the world, making them more and more concerned about the environment. To have sustainable, pollution free environment, it is dominant to put into practice the concept of green marketing, so that people are erudite in this aspect as much as possible. Green marketing is a vital component of holistic marketing concept today. Many businesses all over the world are now successfully implementing green marketing practices. According to American Marketing Association (AMA), Green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing refers to holistic marketing concept wherein, the production, marketing, consumption and disposal of products and services happen in a manner that are less detrimental to the environment, with growing awareness about implications of global warming, harmful impact of pollutants etc., Green marketing incorporates a broad range of activities, including product modification, changes to the packaging as well as modifying advertizing. It refers to holistic marketing concept wherein the production, marketing, consumption and disposal of products and services happen in a manner that is less detrimental to the environment.

SUSTAINABLE MARKETING:

Sustainable Marketing is a new concept in marketing and business today. It can be called as an extension of Green Marketing. Sustainable Marketing calls for socially and environmentally responsible marketing that meets the present needs of consumers and businesses while preserving or enhancing the ability of future generations to meet their needs. It is a holistic approach. The aim of sustainable marketing is to add value to the consumer and satisfy the consumer's wants and needs but in a sustainable way. It mainly involves satisfying the wants and needs of customers while putting equal emphasis on environmental and social issues, thus generating profit in a responsible way. Sustainable marketing requires socially, environmentally, and ethically responsible actions that bring value to not only present-day consumers and businesses but also future generations and society as a whole

RELATIONSHIP MARKETING:

Today's marketers are focusing on lifelong customers. They are shifting from transaction thinking to relationship building. Large companies create, maintain and update large customer database containing demographic, life-style, past experience, buying habits, degree of responsiveness to different stimuli etc., and design their offerings to create, please or delight customers who remain loyal to them. Relationship marketing differs from other forms of marketing in recognizing the long-term value of relationships and extending communication beyond intrusive promotional messages. Relationship marketing refers to a short-term arrangement where the buyer and seller have an interest in providing a more satisfying exchange. This approach tries to transcend the simple post-purchase exchange with a customer to make a deeper connection by providing a holistic, personalized experience to create stronger ties. Relationship marketing is often applied when there are competitive alternatives for customers to choose from and when there is an ongoing and periodic desire for the product or service.

NEURO MARKETING:

Neuro marketing is concerned with marketing to mind. It is an applied extension of neuroscience. The application of brainscan technology to marketing, especially the use of FMRI gave rise to the term. Understanding the complex dynamics of human mind is a real challenge of the modern times. The attempts of marketers to know what a consumer wants through varied research methods are now not generating effective insights into consumer minds because the consumer today is smart, intelligent and sophisticated. Thus marketers are using various psychological techniques to explore the consumer mind and above that FMRI scans of consumers are also being taken to know what happens in the consumer mind while experiencing a particular service, or what appeals to consumer mind more while watching an advertisement.

ONLINE MARKETING:

Online marketing is the application of a broad range of information technologies in marketing functions. It can be defined as efforts undertaken to market products and services and build customer relationships over the internet. Information technology and communication revolution has changed the nature of buying and selling. People anywhere in the world can access the internet and companies homepages to scan offers and order goods. Through online marketing they can give and get advice on product and services by chatting with other users, determine the best values, place orders, and get next day delivery. As a result of advances in database technology, companies can do more direct marketing and rely less on wholesale and retail intermediaries. (EX: Flipkart, Jabong)

CONCLUSION:

Today every company, whether large or small, is facing toughest competition ever. Recent technological innovations have given marketers, many new tools to work with but also have led to some challenges as businesses race to keep up with purchase habits and buyer needs. Thus to gain competitive advantage companies must take advantage of new opportunities and trends in the marketing environment. Marketers can keep a sharp focus on enhancing the buyer’s journey and get connected with their customers.

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A STUDY ON KEY GROWTH DRIVERS OF INDIAN MEDICAL EDUCATION FOR FOREIGN DIRECT INVESTMENT WITH SPECIAL REFERENCE TO 'MAKE IN INDIA' PROGRAM

Dr. Smitha Sambrani, Asst. Professor
Faculty of Management, University College of Commerce and Business Management, Osmania University, Hyderabad.

Harinadh Karimikonda, Research Scholar,
Faculty of Management, University College of Commerce and Business Management, Osmania University, Hyderabad.

ABSTRACT

Since the economic growth of any country depends on larger amount of investment, when this need is not fulfilled within the country then they look for funds from other nations. India is emerging, after initiation of the Make in India program, as the top global destination for foreign direct investment, surpassing the United States of America as well as the People's Republic of China. Foreign Direct Investment has always been a matter of concern for India, when it comes to medical education sector 100% FDI is allowed by the government but, besides its advantages, it has some limitations or disadvantages also. Under the Make in India program, initiatives launched by the Government of India encourage multi-national, as well as national companies to invest in Indian medical education sector.The major objective behind the initiative is to focus on job creation and skill enhancement, In order to cater to the healthcare needs of a population of 1.2 billion, India would need an additional 7 lakh doctors by 2022.There exists tremendous scope for establishing new medical institutes for producing world class doctors, nurses and paramedics. Private players are encouraged to set up medical institutions and the clause to permit medical colleges as a commercial venture is under consideration. In this paper an attempt has been made to conduct opportunity analysis for highlighting the key growth drivers, the Make in India incentives for foreign direct investment Indian medical education sector for foreign direct investment.

Keywords: Make in India, Foreign Direct Investment, Key Growth Drivers, Medical Education

INTRODUCTION

In any developing country with inadequate availability of health services, the requirement of expertise in the areas of 'public health' and 'family medicine' is markedly more than the expertise required for other clinical specialties. In India, the situation is that public health expertise is nonexistent in the private health sector, and far short of requirement in the public health sector.

FDI in Education Sector: India's education sector has witnessed significant expansion since the government approved FDI in April 2000, thus providing a huge opportunity for investment. Yet FDI remained zero in the first three years, increased till 2008-09 and then kept falling again. In the past 11 years, the total FDI in education has stood at Rs 2,051 crore, the yearly average of Rs 186 crore being one-tenth of one per cent of what the Centre and state governments annually spends in this sector. Government has proposed 100 percent foreign direct investment in higher education and hinted at making reservation mandatory in the institutions to be set up by foreign universities in the country. Once approved by the Cabinet and passed as law, the Foreign Education Providers (Regulation) Bill will grant deemed university status to such institutions. Under current rules, 100 per cent FDI is allowed in education through the "automatic route". This means a foreign company can directly invest in an Indian firm without prior approval from the government or the RBI. However, within 30 days of the receipt of the FDI, the Indian company is required to report to the RBI's regional office. Over 75 per cent of the FDI in the past 11 years has come from Mauritius, a tax haven — most of it to Manipal Universal Learning from the Mauritius-based MEMG International Ltd. Educomp Solutions Ltd, too, has received Rs 93 crore in FDI, mostly from various Mauritius-based companies.The total amount of FDI inflow into the education sector in India stood at US$ 1,256 million from April 2000 to March 2016, according to data released by Department of Industrial Policy and Promotion (DIPP).

OBJECTIVES:

- To study key growth drivers of Indian medical education sector for foreign direct investment.
- To study the Make in India incentives for promoting foreign direct investment in Indian medical education sector.

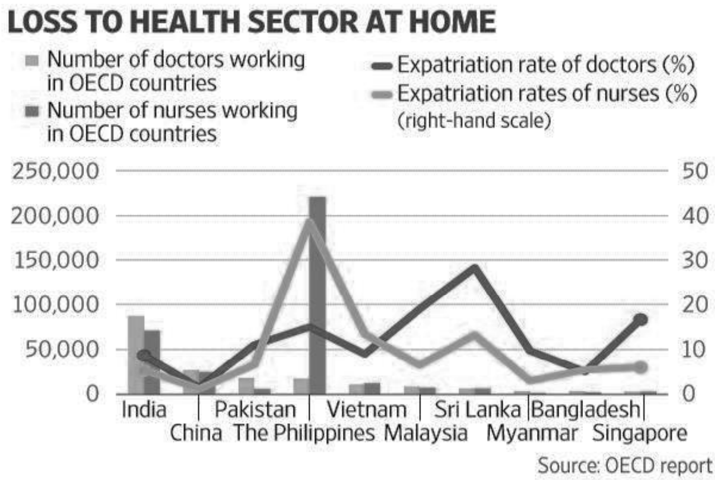
CONCEPTUAL FRAMEWORK:

From the literature review, there are some important economic drivers identified for determining demand of medical education in India. The conceptual framework gives a picture about how the study has been carried out and what are the various economic drivers, 'Make in India' support for FDI in medical education sector in India.

DATA ANALYSIS AND INTERPRETATION:

I. Key Growth drivers of Indian Medical Education Sector For FDI:

1. Growth of India Population: India is the second most populous country in the world, with 1,336,286,256 (1.3 billion) people (May 2016), nearly a fifth of the world's population. Already containing 18% of the world's population, India is projected to be the world's most populous country by 2022. Thus India needs about 7 lakh doctors by 2022 in order to meet WHO standards and cater the health needs for growing population of the country



2. Expatriation Rate of Doctor: India is the top country of origin of migrant doctors in Organization for European Economic Co-operation (OECD) countries with over 56,000 Indian doctors in these countries, which include the UK, the US, Canada, and Australia.India also figures at sixth place in the expatriation of nurses to OECD countries (about 23,000). In terms of percentages, however, these figures constitute just 8% and 3% respectively of the doctor and nurse population in India, comfortingly low compared to some of the smaller countries severely affected by emigration of doctors such as Mozambique (75%) and Angola (70%).

3. Share of Young Population: The report traces the incredible rise — and the eventual decline — of this cohort in India. The population in the age-group of 15-34 increased from 353 million in 2001 to 430 million in 2011. Current predictions suggest a steady increase in the youth population to 464 million by 2021.

4. Size of the Aspirants: Medicine as a profession commands tremendous respect in Indian society and a large number of youth aspire to become doctors, highlighting the tremendous demand for medical institutes in the country. The

practice of Indians studying medicine abroad began in Russia a few decades back, and gained momentum in the past six years with newer destinations like China, Nepal and Ukraine. Each year, it is estimated that more than 5,000 students leave India for medical education elsewhere, with China being the most popular destination followed by Russia, Ukraine, Nepal and Kazakhstan. The total number of candidates for the FMGE trained in China from 2010 through 2014 is 18,297and the number is increasing.

Year	Number of candidates appeared	Qualified
2010 AIPMT	146,230	2434
2011 AIPMT	207,590	2473
2012 AIPMT	257,960	13,960
2013 NEET UG	658,040	366,317
2014 AIPMT	523,701	18,115 (as per 15% all India quota)

AIPMT=All India Pre Medical Test, NEET=National Eligibility cum Entrance Test

5. Availability of Doctors: There is an existing gap in number of doctors to cater to the healthcare needs of the country. The current doctor: patient ratio of 1:1681 is below World Health Organization recommended figure of 1:1000. Thus India needs about 7 lakh doctors by 2022 in order to meet WHO standards.

Table 3: **Numbers of doctors, nurses and hospital beds per 1000 inhabitants**

	Doctors	Nurses (including midwives)	Hospital beds
Brazil	1.72	6.50	2.4
China	1.42	1.38	4.1
Russian Federation	4.31	8.52	9.7
South Africa	0.77	4.08	2.8
Germany	3.64	10.98	8.2
United Kingdom	2.71	9.46	3.3
United States	2.44	8.01	3.1

Sources: OECD Health Data 2011 and World Health Statistics 2011, WHO

6. Number of Medical Colleges: As of 2016, there are 420 medical colleges in India where qualifications are recognized by the Medical Council of India; these medical schools have a combined capacity to provide medical education for 54,145 students and the government recognizes the crucial role of the private sector in this regard.

7. Distribution of Medical Colleges: The regional distribution of medical colleges

needs to be corrected. A large proportion of medical seats are currently being offered by institutes in the southern part of the country. However, there needs to be a substantial increase in number of medical seats in the East, North and North East.The information in this post is taken from the latest data available on the MCI website, after removing the colleges that failed inspections this year. The geographic distribution of these colleges shows a noticeable southward slant with 44% of all medical seats distributed between the states of Karnataka, Andhra, Telangana, Tamil Nadu and Kerala. Undivided Andhra Pradesh had the most number of seats in the country but after division, Karnataka holds that title. Maharashtra has the most colleges but has a lesser number of seats when taken cumulatively.

8. Alternative Health Services: India also has rich source of alternate health therapies like AYUSH (Ayurveda, Yoga, Unani, Siddha & Homeopathy). Despite the government's attempt over the years to popularize AYUSH (Ayurveda, Yoga or Naturopathy Unani, Siddha and homoeopathy), the people at large are still inclined towards allopathy treatment both in rural and urban India.

9. Cost of the Medical Services: India is becoming a global hub for the availability of high quality medical facilities at lower costs. The American Medical Association has made a cost comparison study of healthcare in different countries. According to the statistics released by AMA, India has no parallels in healthcare when it comes to cost effective treatments in comparison with other countries. Significant cost differences exist among US, UK and South Asian countries. Add to it, the waiting time which is almost nil in case of India. After all, your health cannot be put at stake due to long waiting lists. So, if you are suffering and medical intervention is inevitable and urgent, and you are hard pressed to pay from your savings, India is the best option for medical assistance.

10. Growth of Medical Tourism: Medical tourism in the country is projected to grow to $7-8 billion by 2020 from the current US$3 billion. The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. The third-largest sub-segment of the services sector comprising trade, repair services, hotels and restaurants contributed nearly US$ 187.9 billion or 12.5 per cent of the Gross Domestic Product (GDP) in 2014-15, while growing the fastest at 11.7 per cent Compound Annual Growth Rate (CAGR) over the period 2011-12 to 2014-15. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. The industry is expected to generate 13.45 million jobs, across sub-segments such as Restaurants (10.49 million jobs),

Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers. India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index.

II. Make In India Programs for Promoting FDI In Indian Medical Education Sector:

1. 100% FDI under automatic route is allowed in Education sector, Private investment in medical education is fully allowed [Including 100% FDI] and India holds an important place in the global education industry. The country has more than 1.4 million schools with over 227 million students enrolled and more than 36,000 higher education institutes. India has one of the largest higher education systems in the world. However, there is still a lot of potential for further development in the education system.India has become the second largest market for e-learning after the US. The sector is currently pegged at US$ 2-3 billion, and is expected to touch US$ 40 billion by 2017. The distance education market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of around 34 per cent# during 2013-14 to 2017-18. Moreover, the aim of the government to raise its current gross enrolment ratio to 30 per cent by 2020 will also boost the growth of the distance education in India.

2. Single window clearance introduced for benefit of investors: India's latest initiative in trade facilitation involves a single window clearance system, accommodating requirements of the education sector. Customs ports will also have a dedicated Facebook page to serve as a social media interface so that clients can interact with officials, and leave complaints and feedback. This will promote query solving and quality improvement.The new single window clearance system ensures that all processing rates and legal paperwork such as customs declarations, applications for import or export permits, certificates of origin, and trading invoices related to items such as satellite phones and drones will be lessened to increase efficiency and save time. The government's reforms will positively impact the half a dozen or so startups that rely on drones in India, which are being used for purposes such as aerial photography, pollution monitoring, topographical assessment, meteorology, traffic monitoring, and policing and wildlife protection.

3. Common Entrance / Screening Test: NEET is a common entrance test for all medical colleges at UG and PG level. It will not only regulate medical education, but will also bring in standardization and check corrupt practices. By conducting

their own entrance tests, many private institutions are selecting academically-weaker but financially-sound candidates. With NEET, unscrupulous and money-minded businessmen entering and operating in the field of education will diminish. Medical Council of India Screening Test, also known as Foreign Medical Graduates Examination (FMGE), is a licensure examination conducted by the National Board of Examinations (NBE) in India. The test is one of the mandatory requirements for an Indian citizen who has a medical degree from a college outside India to practice medicine in the country.

4. Online application and approval system for medical colleges: Applications referred by the Ministry of Health & Family Welfare to the Council will be registered in the Council for evaluation and recommendations. Registration of the application will only signify the acceptance of the application for evaluation. Incomplete applications will not be registered and will be returned to the Ministry of Health & Family Welfare along with enclosures and processing fee stating the deficiencies in such applications. The Council shall register such incomplete applications, if so directed by the Central Government for evaluation but shall submit only a factual report in respect of them and shall not make any recommendations.

5. Companies being permitted to set up Medical Colleges as commercial venture under consideration. Companies registered under Companies Act may also be allowed to open medical colleges. Permission shall be withdrawn if the colleges resort to commercialization. Medical colleges will be considered a commercial venture; all the rules and regulations are made applicable as like commercial ventures.

6. PPP (Public Private Partnership) is also being encouraged under foreign direct investment in medical education sector: Indian medical education sector allowed Public Private Partnerships to long term, contractual partnerships between public and private sector agencies, specially targeted towards financing, designing, implementing, and operating infrastructure facilities and services that were traditionally provided by the Government and/or its agencies for developing quality of medical education . These collaborative ventures are built around the expertise and capacity of the project partners and are based on a contractual agreement, which ensures appropriate and mutually agreed allocation of resources, risks, and returns.

7. Up-gradation of District Hospitals to Medical Colleges: The number of functioning district hospitals in India was 763 as on 31st March, 2015. The top 10 States/ UTs in terms of the number of functioning district hospitals were: Uttar Pradesh, Madhya Pradesh, Delhi, Bihar, Rajasthan, Karnataka, Odisha, Tamil Nadu, Chhattisgarh and Assam as on 31st March, 2015. The above mentioned top 10

states accounted for 61.46% of the total number of functioning district hospitals in India as a whole as on 31st March, 2015. Indian government wants to up-grade all the district hospital to medical colleges with the contribution of private domestic and foreign investors.

8. Healthcare insurance coverage: Healthcare insurance coverage in the country is increasing the year by year. As per Official data, the number of people covered by health insurance in India could be far fewer than estimated, but it showed good percentage of growth when compared to previous years. Only 21.62 crore people, or 17 per cent of the total population, were covered by health insurance with a positive increase at the end of March 2014.

9. Tax holiday for longer period: An incentive package with direct tax benefits for capital expenditure and a ten year tax holiday for hospital projects and exemption from GST especially in view of long gestation period of hospitals and medical colleges.

10. Loans on concessional basis: Education is classified under priority sector eligible for priority sector lending rules of the Reserve Bank of India. Medical education comes under priority sector; Indian government allows loans on concessional basis as per RBI rules.

CONCLUSION

Number of reformative measures has been undertaken in recent years as part of Make in India program to fill the gap between supply and demand of medical needs, economic development and to meet world standards. The study reveals that FDI in medical education is better opportunity because Indian doctors are world renowned in their expertise, India has a demographic dividend in terms of a high share of young population, Medicine as a profession commands tremendous respect in Indian society and a large number of youth aspire to become doctors, highlighting the tremendous demand for medical institutes in the country. There is an existing gap in number of doctors to cater to the healthcare needs of the country. The current doctor: patient ratio of 1:1681 is below WHO recommended figure of 1:1000. Thus India needs about 7 lakh doctors by 2022 in order to meet WHO standards. Number of Medical Colleges need to be increased from present 439 and the government recognizes the crucial role of the private sector in this regard. However, there needs to be a substantial increase in number of medical seats in the East, North and North East, India also has rich source of alternate health therapies, India is becoming a global hub of medical tourism owing to the availability of high quality medical facilities at lower costs. Medical tourism in the country is projected to grow to $7-8 billion by 2020 from the current US$3 billion. Make in India programs is promoting FDI in Indian medical education sector with private investment in medical education is fully allowed

[Including 100% FDI] and companies being permitted to set up Medical Colleges as commercial venture is under consideration. PPP (Public Private Partnership) is also being encouraged, 100% FDI under automatic route is allowed in Education sector Single window clearance introduced for benefit of investors, under PPP framework with any hospital of requisite capacity, Up-gradation of District Hospitals to Medical Colleges, Tax holiday for longer period, Loans on concessional basis. Education is classified under priority sector eligible for priority sector lending rules under the RBI. Therefore, the study concluded that Indian medical education sector is a great business opportunity for foreign investors.

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EXPLORING THE DETERMINANTS ON EFFECTIVE SOCIAL MEDIA ADVERTISING

S.Swapna, Asst. Professor
Pragati Mahavidyalaya PG College,
Koti, Hyderabad.

E.Vijaya, Associate Professor
Pragati Mahavidyalaya PG College,
Koti, Hyderabad.

ABSTRACT

Digital advertising is one of the key buzzwords in business today, as it helps marketers and the companies to engage with their tech savvy audience through various channels such as social media sites, emails and mobile applications. Among all the digital marketing tools, social media sites allow the companies to build closer relations with their customers and expand the market to the customers whom they could not reach before. For marketers, assessing the effectiveness of their ads on social networking sites is an important area. They need to have a good understanding of factors that can help them design effective web-ads for gaining maximum profits. The main objective of the present paper is to explore consumers' attitudinal factors that make social media advertising effective. Purposive sampling technique was used to collect the data with the help of a structured questionnaire and Factor analysis was used for data analysis. Results of the study revealed that four factors are important for effective web-ads, namely as Web-ad content, Web-ad placement, Web-ad presentation and Celebrity in web-ad.

Keywords: Digital advertising, Social media marketing, web-ads, Factor analysis

INTRODUCTION

Digital advertising is one of the most effective ways for businesses of all sizes to expand their reach, find new customers, and diversify their revenue streams. It is a rapidly growing force in the current marketing playing field, as it is set to be the future of marketing, and it seems likely that digital media will soon replace more traditional forms altogether. With the Internet, promoting a business can be done for a shoe-string budget, many creative and efficient ways to advertise online and more flexible tool than print or even broadcast media. The internet enables buyers and sellers to interact and manage business transactions 24 X 7. The facts are that digital methods of communication and marketing are faster, more versatile, practical and streamlined. According to Ittisa Team survey (2016), 50% of the world's population will be connected to the internet by the end of 2016, with 15% internet penetration in India, and with an average user spending around 4 hours and 25 minutes a day online. In India, the number of internet users is over 300 million and growing exponentially. Unlike traditional marketing, digital marketing can attract the mass at a lower investment. With the change in trend and the amount of time people are spending on internet, it is very likely that the marketers can catch their attention in person, unlike offline marketing where there is mainly public display.

RATIONALE OF THE STUDY

According to the Internet Advertising Revenue Report (2016), conducted by Price Water House Coopers (PWC) US, U.S. internet ad revenues have set a new first quarter high at $15.9 billion in Q1 2016, outpacing last year's Q1 record-setting $13.2 billion. These exemplary revenues show the growing importance of internet for marketing people to reach consumers who are increasingly spending their time on digital screens.

REVIEW OF LITERATURE

Peter and Mullarkey (2003) conducted a study to examine factors that impact on web advertising recall and recognition. Their study considered the factors such as viewing mode, duration of page viewing, and web page context factors, including text and page background complexity and the style of the banner advertisement. The results of their study revealed that the longer a person is exposed to content of web page in banner advertisement, the more they recalled the banner advertisement. Kendall Goodrich (2011) studied the relationship between online advertising effects with age, gender and time of day. From the study, it was concluded that there is a significant effect of online advertising attention and age. (1) Weintraub(2012) concluded in his research that clean images with bold colors and fonts make the ad more interesting. Abdul Azeem and Zia ul Haq (2012) studied the perception of customers with reference to three demographic groups and analyzed that five factors entertainment, information credibility, economy and value are significant predictors of attitude towards internet advertising. (2) Vida David (2012) identified the features that make online advertising effective are: top page location, animation and frequency (6-7 exposures) of banner, audio/video streaming contents of rich media, SEO results location within the first page of results list, top location, content related sponsorships, useful content, compelling titles and frequency of 1-2 times per month of email newsletters, compelling and useful content with no requirement to pass-along the message of viral marketing and public relation activities with video, audio, picture and photo containing communication, involvement stimulation and company generated daily posts. (3) Michael Cornwell (2015), in his article entitled

"The role of the internet in marketing and advertising" concluded that 2.8 billion people are connected to the internet as of 2014, increasing from 35 million 20 years ago. Farhan and Yousaf (2016) conducted a study to explore the factors which make web advertising effective and the results revealed that to get consumers attention it is necessary to create an attractive format with colour that could highlight the advertisement and make it easy to read. (4) Preeti Jain and Sanjiv Kumar (2016) examined the relationship between belief factors or advertising values as a predictor of attitude towards internet advertising. From their study, it was found that belief factors are a better predictor of attitude toward internet advertising than behavioral variables such as internet usage and demographic variables.

OBJECTIVES OF THE STUDY

The main objective of the present paper is to explore the consumers' attitudinal factors that make web-ads effective.

RESEARCH METHODOLOGY

Research design

The study is exploratory and descriptive in nature as it is mainly aimed at exploring the consumers' attitudinal factors that are considered very important for effective web-ads placed on various social networking sites.

Population of the study

The present study mainly aims at identifying the influential factors on effectiveness of digital advertising, so the target population of the study included the respondents, having internet /GPRS connection and are exposed to web-ads on various social media sites.

Sampling design and Sample size

Purposive sampling technique was used to collect the data from 200 respondents who are residing in twin cities of Hyderabad and Secunderabad and who use social media sites.

Survey instrument

The data for the study has been collected through a structured questionnaire which consists of two parts. The first part deals with demographic profile of the sample respondents and the second part deals with consumers' attitudinal factors that are deemed very important for effective web-ads placed on various social media sites. The study adopted five point Likert scale which seems appropriate and ideal for a survey instrument. The respondents are furnished with attitudinal based questions which related to web-ads to which they are asked to mark their response in a range from 1(strongly disagree) to 5(strongly agree). Questionnaire has been distributed to 200 sample respondents, out of which 10% of the respondents were not exposed to web-ads and also 25 responses had incomplete information. These questionnaires were removed from the study and after cleaning, 155 responses were found to be in order. Hence, the present analysis has been carried out on the basis of 155 responses.

Procedure

To meet the objectives, data collected was first coded and then using SPSS20 software, an Exploratory Factor Analysis was conducted to explore the factors that make web-ads effective.

DATA ANALYSIS AND RESULTS

Demographic analysis

Out of the 155 sample respondents, the majority of the respondents are females. It was found that majority of the respondents are in the age group of 18-25 years. With regard to education qualification, majority of the respondents are graduates and with regards to income majority of the respondents are in the income group between two lakhs to five lakhs. It was also observed that majority of the respondents (92%) had awareness about web-ads and only 8% of the respondents are not aware of web-ads and majority of the respondents' opinion that YouTube consists of more ads and they preferred web-ads related to consumables.

Factor analysis

Before conducting the factor analysis, to check the reliability of the items included in the questionnaire, Cronbach alpha test was applied. It was found that Cronbach alpha is 0.698, indicates that the items in the Likert five point scale of the questionnaire were highly reliable and can be used further in the study. After checking the reliability and consistency of the items, an exploratory factor analysis has been conducted using SPSS 20 software to group the variables/items into broad dimensions that makes web-ads effective. An inter-correlation matrix was first calculated to explore the possibility of applying factor analysis. Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) and Barlett's test of sphericity were used for this purpose. From the results, it was found that KMO value is 0.687, suggest that factor analysis is appropriate for the data and the significance value of Bartlett's Test is 0.000, this leads to rejection of the idea that the correlation matrix is identity matrix.

Table:1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.687
Bartlett's Test of Sphericity	Approx. Chi-Square	304.230
	Df	91
	Sig.	.000

(Source: The author)

Factor analysis of the responses by Principal component method and Varimax rotation with criterion of Eigen value more than 1.00 produced 4 internally consistent and meaningfully interpretable factors that explained 61.668% of total variance. Table 2 shows that the factors extracted out of 10 variables under study are four in number at the Eigen value= 1.157and together contribute 61.668% of total variance. This is a fair percentage of variance to be explained and assumes the appropriateness of the factor analysis.

Table: 2 shows the Total Variance Explained

Comp-onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	cumulative %	Total	% of Variance	cumulative %	Total	% of Variance	Cumulative %
1	3.029	21.636	21.636	3.029	21.636	21.636	2.000	14.287	14.287
2	1.515	20.818	42.454	1.515	10.818	32.454	1.919	13.706	27.993
3	1.290	11.214	53.668	1.290	9.214	41.668	1.682	12.015	40.008
4	1.157	8.268	61.668	1.157	8.268	49.936	1.390	9.928	49.936
5	.991	7.078	67.014						
6	.964	6.888	73.902						
7	.839	5.992	79.893						
8	.788	5.631	81.525						
9	.726	5.186	83.711						
10	.683	4.880	85.591						
11	.648	4.625	90.217						
12	.521	3.722	93.938						
13	.470	3.361	97.299						
14	.378	2.701	100.000						

(Source: Principal component analysis)

In the present study, all the 10 variables have factor loading more than 0.50, so all the 10 variables are considered for loading on extracted factors. Thus the present study extracted four factors using 10 variables named as: Web-ad presentation, Web-ad placement, Web-ad content, Celebrity in web-ads.

Table: 3 Factor loadings, eigen value and % of variance of factors and their variable

Item no	Components	Factor loadings	Eigen value	% of variance
Factor -1 web -Ad presentation				
	Web – ads with bold & big letters are interesting	.610	3.029	21.636
	Web – ads with interesting colours are interesting	.559		
Factor-2 Web-ads placement				
	Web-ads placed in the right positions are interesting	.788	1.515	20.818
	Web-ads that are timely updated on related websites are interesting	.652		
Factor- 3 Wed -ad content				
	Web – ads with info that interests the consumers are interesting	.631	1.290	11.214
	Web – ads that are real & not statistical projections are interesting	.688		
	Web – ads with a good sense of humour are interesting	.549		
	Web – ads which provide detailed information about products are interesting	.625		
Factor- 4 Celebrity in wed-ad				
	Web – ads endorsed by a celebrity are interesting	.784	1.157	8.268
	Web – ads with good looking models are interesting	.674		

(Source: The author)

DISCUSSIONS AND CONCLUSIONS

The present paper makes an attempt to explore the consumers' attitudinal factors that make web-ads more effective. To achieve this objective, a structured questionnaire was distributed to target respondents who had an internet connection and were exposed to web-ads and who are residing in twin cities of Hyderabad and Secunderabad. Out of 200 questionnaires sent, 155 responses were found to be in order and the present analysis was done on the basis of 155 respondents. With regards to sample respondents' demographic profile, majority of the respondents are female, young and educated and 92% of the respondents are aware about web-ads. To identify the factors that make web-ads effective from consumers' view-point, an exploratory factor analysis was conducted using SPSS 20 software. Before conducting factor analysis, to check the reliability of the items included in the questionnaire, Cronbach alpha test was conducted and it was found that Cronbach alpha for all 14 variables was 0.698, indicating that all items in the scale are reliable and can be used for further study. An exploratory factor analysis has been conducted to explore the consumers' attitudinal factors that make web-ads effective. The results of the study found that 10 variables are grouped into four factors at an eigen value of 1.157 with a total variance of 61.688% and the factor loadings of all 10 variables are more than 0.5. The results of the study found that four factors named as: Web-ad presentation, Web-ad placement, Web-ad content, Celebrity in web-ads are the influential factors on effectiveness of Social media advertising.

From the results, it can be concluded that web-ad content is an important factor where the content showed to the target customers with full information and it should trigger an immediate response from customers' end. Web-ad placement is the next important factor and the marketers need to put their web-ads in related search engines and ad should be easily visible to grab the attention of the customers. Web-ad presentation is the next important factor that has the potential to attract the customers by displaying the ad with different font sizes and use of colours. Celebrity in web-ads is also an important factor as the ads are endorsed by good looking celebrities who made ads more effective. The results of the study can help the marketers in leveraging the benefits by attracting the attention of target customers.

Limitations and scope for future research

The present study is confined to limited geographic region of Hyderabad and Secunderabad cities only. Future studies can be extended to wider geographical regions for more generalized results. The present study laid main emphasis on web-ads placed on social networking sites. But the future studies can be incorporate to different platforms where the marketer can place their ads to attract the attention of target customers.

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MARKETING OF BANKING SERVICES: EMERGING CHALLENGES IN INDIAN BANKING SECTOR.

Dr. S. Chandramouli, Associate Professor
St. Xavier's P.G. College,
Hyderabad

ABSTRACT

Globalization in India is generally taken to mean 'integrating' the economy of the country with the world economy. The real thrust to the globalization process was provided by the new economic policy introduced by the Government of India in July 1991. The Indian banking sector has emerged as one of the strongest drivers of India's economic growth. India's economic development and financial sector liberalization have led to a transformation of the Indian banking sector over the past two decades. In India the Banking scenario has undergone tremendous changes and they are facing tough competition in the post liberalization environment. The Banking today is something innovative which could not be imagined before two decades. In the competitive regime the Information Technology is the backbone of the banking activities. Information is at the heart of today's business, and the all-pervasive impact of Information Technology in harnessing, collating and processing huge volumes of information is definitive. It is important to note that presently almost 98 per cent of the branches of public sector banks are fully computerized, and within which almost 90 percent of the branches are on core banking platform. In this context, the author tries to bring out the growth of scheduled commercial bank services

Key words: Globalization, Scheduled Commercial Banks, ATMs, Credit and DebitCards. .

INTRODUCTION

Globalization means integrating the trade with all world nations, economies through FDI flow, trade in goods and services, and huge investments between nations. Globalization is the process of international integration arising from the interchange of world views, products, ideas, and other aspects of culture. The term globalization has been increased in usage since the mid 1980s and specifically since the mid1990s. Globalizing processes are affected by business and work organization, economics, socio-cultural resources, and the natural environment. India had bad experiences from East India Company and British rule, India to be cautious about the advent of globalization. This led for the delay in liberalization in India. As part of globalization the economic and other reform packages were introduced in India by prime minister late shri P. V. Narasihma Rao in July 1991. Globalization in India is generally taken to mean „integrating‟ the economy of the country with the world economy. The real thrust to the globalization process was provided by the new economic policy introduced by the Government of India in July 1991.This globalization has led to an „Unequal Competition‟- a competition between „giant Multi-National Corporations (MNC‟s) and dwarf Indian enterprises‟.

IMPACT OF GLOBALIZATION ON INDIAN BANKING SECTOR

The Indian banking sector has emerged as one of the strongest drivers of India‟s economic growth. The Indian banking industry (US$ 1.22 trillion) has made an outstanding advancement in last few years, even during the times when the rest of the world was struggling with financial meltdown. India's economic development and financial sector liberalization has led to a transformation of the Indian banking sector over the past two decades. Today Indian Banking is at the crossroads of an invisible revolution. The sector has undergone significant developments and investments in the recent past. Most of banks provide various services such as Mobile banking, SMS Banking, Net banking and ATMs to their clients. Indian banks, the dominant financial intermediaries in India, have made high-quality progress over the last five years, as is evident from several factors, including annual credit growth, profitability, and trend in gross non-performing assets (NPAs).

1. Growth of Assets and Liabilities of Scheduled Commercial Banks:

The slowdown in growth in the balance sheets of banks witnessed since 2011-12 continued during 2014-15. The moderation in assets growth of scheduled commercial banks (SCBs) was mainly attributed to tepid growth in loans and advances to below 10 per cent (Chart 1). Growth in investments also slowed down marginally. The decline in credit growth refl ected the slowdown in industrial growth, poor earnings growth reported by the corporates, risk aversion on the part of banks in the background of rising bad loans and governance related issues. Further, with the availability of alternative sources, corporates also switched part of their financing needs to other sources such as external commercial borrowings (ECBs), corporate bonds and commercial papers. On the liabilities side, growth in deposits and borrowings also declined signifi cantly. Bank-group wise, public sector banks (PSBs) witnessed deceleration in credit growth in 2014-15; private sector banks (PVBs) and foreign banks (FBs), however, indicated higher credit growth.

2. CASA deposits

Growth in current account and saving account (CASA) deposits moderated due to decline in saving deposits which in turn got reflected in deceleration in overall deposit growth (Chart 2). Bank-group wise, PSBs recorded decline in CASA deposits while

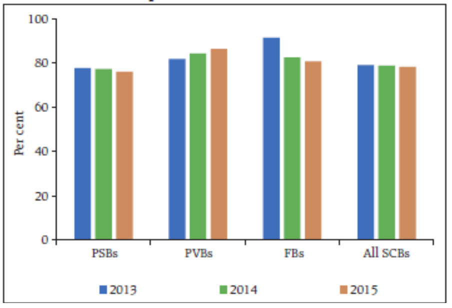
PVBs and FBs recorded higher growth during 2014-15.

3. Credit-deposit ratio

Credit-Deposit (C-D) ratio of the SCBs stood at around 78 per cent, same as that of previous year. Among the bank-groups, the C-D ratio of the private sector banks improved marginally with the other constituents recording a decline (Chart 3).

Chart No. 3

Trends in outstanding C-D ratio, bank-group wise-position



Source: https://rbidocs.rbi.org.in/trend and progess of SCBs 2014-2015

4. Financial performance of the SCBs

Both interest earnings and interest expended recorded a lower growth during 2014-15 as compared to the previous year. Interest earnings refl ected the impact of slower credit growth. However, decline in interest income was marginally higher than interest expended. As a result, net interest income grew less than the previous year despite an improvement in the operating expenses (through reduction in the growth of wage bill). Also, the pace of increase in provisions and contingencies due to delinquent loans declined sharply. This led to an increase in net profits at the aggregate level by 10.1 per cent during 2014-15 as against a decline in net profi ts during the previous year.

5. Retail credit

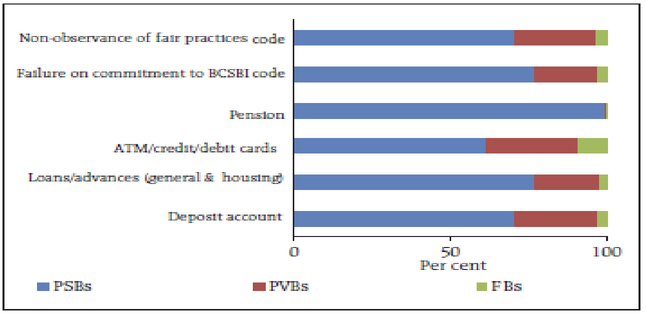
Retail loan portfolio of the banks continued to grow at around 20 per cent during 2014-15 even though there was deceleration in the total credit growth of banks. Housing loans constituted around half of the total outstanding retail loans) and credit card receivables grew by more than 20 per cent. Autoloans also recorded a recovery.

6. Customer service

PSBs accounted for more than 70 per cent of the complaints received during 2014-15 and in all major categories; the share of PSBs was more than 60 per cent. However, the PVBs accounted for more than 25 per cent of complaints relating to ATMs, credit/

debit cards and non-observance of fair practices code (Chart 6).

Chart No. 6
Customer Service



Source: RBI.

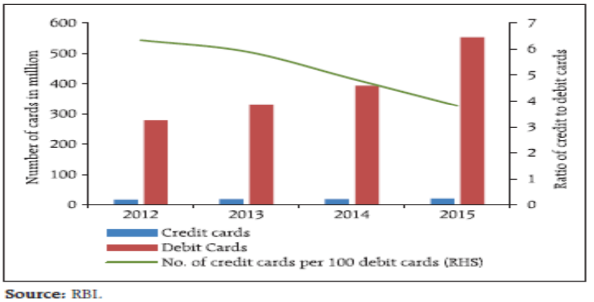
7. Technological Developments in Scheduled Commercial Banks Growth in automated teller machines (ATMs)

The banks increased their penetration further with the total number of ATMs reaching 0.18 million in 2015. However, there was a decline in growth of ATMs of both PSBs as well as PVBs. PSBs recorded a growth of 16.7 per cent during 2014-15 maintaining a share of around 70 per cent in total number of ATMs. FBs continued to record a negative growth in number of ATMs.

8. Debit cards and credit cards

Issuance of debit cards is much higher as compared to credit cards and they remain a preferred mode of transactions. In 2012, there were 6.3 credit cards for every 100 debit cards, which declined to 3.8 in 2015 (Chart 8). PSBs maintained a lead over PVBs and FBs in issuing debit cards. As on March 31, 2015 approximately 83 per cent of the debit cards were issued by PSBs, while around 80 per cent of the credit cards were issued by the PVBs (57.2 per cent) and FBs (22.4 per cent).

Chart No. 8
Issuance of Debit and credit cards.



Source: RBI.

9. Financial inclusion initiatives

The Reserve Bank continued its efforts towards universal fi nancial inclusion. Given the boost provided by the Pradhan Mantri Jan Dhan Yojana (PMJDY) during the period, considerable banking penetration has occurred, particularly in rural areas. However, signifi cant numbers of banking outlets operate in branchless mode through business correspondents (BCs)/facilitators (Chart 9). Dominance of BCs in the rural areas can be gauged from the fact that almost 91 per cent of the banking outlets were operating in branchless mode as on March 31, 2015. 2.28 As on December 9, 2015, 195.2 million accounts have been opened and 166.7 million RuPay debit cards have been issued under PMJDY. The scheme was launched on 28th August, 2014 with the objectives of providing universal access to banking facilities, providing basic banking accounts with overdraft facility and RuPay Debit card to all households, conducting financial literacy programmes, creation of credit guarantee fund, micro-insurance and unorganised sector pension schemes. The objectives are expected to be achieved in two phases over a period of four years up to August 2018.

CHALLENGES OF INDIAN BANKING SECTOR:

1. Implementation of global technology: There is a need to have an adequate level of infrastructure and human capacity building before the developing countries can adopt global technology for their local requirements.

2. Strengthening the public support: In developing countries, in the past, most e-finance initiatives have been the result of joint efforts between the private and public sectors.

3. Confidentiality, integrity and authentication: These three are the very important features of the banking sector and were very successfully managed all over the world before the coming of internet. Communication across an open and thus insecure channel such as the internet might not be the best base for bank-client relations as trust might partially be lost.

4. Customer Satisfaction: In today’s competitive world, satisfaction of customers is a major challenge for the banking sector because customers have alternative choices in various types of services provided by banks.

5. Availability of Personnel services: In present times, banks are to provide several services like social banking with financial possibilities, selective up gradation, computerization and innovative mechanization, better customer services.

6. Non- Performing Assets (NPA): Nonperforming assets are another challenge to the banking sector. Vehicle loans and unsecured loans increases N.P.A. which terms 50% of banks retail portfolio was also hit due to upward movement in

interest rates, restrictions on collection practices and soaring real estate prices. So that every bank have to take care about regular repayment of loans.

7. Competition: The nationalized banks and commercial banks have the competition from foreign and new private sector banks. Competition in banking sector brings various challenges before the banks such as product positioning, innovative ideas and channels, new market trends, cross selling ad at managerial and organizational part this system needs to be manage, assets and contain risk.

8. Handling Technology: Developing or acquiring the right technology, deploying it optimally and then leveraging it to the maximum extent is essential to achieve and maintain high service and efficiency standards while remaining cost effective and delivering sustainable return to shareholders. Early adopters of technology acquire significant competitive advances Managing technology is therefore, a key challenge for the Indian banking sector.

Where Do We Stand in the Global Banking Arena?

In the international banking arena, size, innovation, efficiency and best standards of customer service alone matter. The top banks in the world belong to such category. There is no substitute for innovation to survive and lead in the new-age banking. The list of Top 500 Global Financial Brands 2015 Wells Fargo Bank of US has the brand value of $m 34,925. ICBC Bank of China with $m 27,459 brand value, Brand Finance Plc. reveals that banks such as HSBC, Bank of America, Santander, American Express, Citi, BNP Paribas, China Construction Bank, and Chase are in the top ten league. The State Bank of India (SBI) became the first Indian bank to break into the world's Top 50 list, according to the Brand Finance study that saw HSBC retain its top slot for the third year in a row. Top banks are continuously adapting to changing web technology, applications, business models and competition. Internet banking has emerged as an important strategic mode aimed at reaching new generation customers. Banks such as Citi, HSBC and Standard Chartered are the dominant players in web banking adding next generation new customers. This medium has been extensively used to building deeper relationships with the customers, mobilising deposits, generating payment and trading revenue, and cross-selling products.

CONCLUSION

The mounting competitive pressures, both domestic and external, have necessitated the Indian banks to continuously reassess and reposition themselves in the market arena. Capital is going to play a crucial role in the banking sector, as banks need to grow in size to global standards, need to have robust risk management practices, advanced technology, skilled manpower and sound marketing practices. In the areas of retail banking also, Indian banks (especially SCBs) will need to upgrade themselves in product offers, customer services, internet banking and IT systems. Banks that are tech-savvy, global-sized, with large capital and smart skilled manpower could survive better in a competitive world. Indian banks need to focus on high profit areas like retail banking, trade finance, institutional banking, corporate and investment banking, which are the domain areas of foreign banks. Also, domestic banks are not active in FDI and FII areas, major chunk of which is routed through foreign banks. Indian banks would need to improve their brand image so that foreign funds coming into India will be routed through them. Overall the Indian banking sector is stronger and healthier today than it was a decade ago.

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IMPACT OF DIGITAL MARKETING ON SME BUSINESS

S.N. Arjun Kumar, Research Scholar
Department of Business Management,
Osmania University, Hyderabad.

ABSTRACT

The Internet usage in India has gone up with more and more Internet Users using theInternet on a regular basis. India had 190 Million Internet Users. Of this, 130 Millionbelonged to Urban India and the rest 60 Million were from Rural India. The number of internet users reached 205 Million and is estimated to reach 213 Million. The number of internet users in urban India is 137 Million and is estimated to touch 141Million. In Rural India, there are 68 Million Internet users in and will reach 72 Million. Mobile Internet, too, has garnered a huge base among the ActiveInternet Users.Digital Marketing, social media's adoption led by Facebook, Twitter and LinkedInoffers tremendous power to the marketers to do precise targeting in a very cost efficient way. The bestpart of these platforms is they offer excellent reporting and analytics thus helping the executor to stayon top of campaign performance and take appropriate timely decisions to make the campaign moreeffective and result oriented.The traditional media like TV, Print, Radio etc are far from reachability of the SME's of India and mainlyworks well for large brands and business with deep pockets. The Digital Marketing and especially SocialMedia has emerged as a very cost effective medium for SME's and good adaption of these mediums canbring significant benefits to the business and help achieve the growth objective of the organization notonly domestically but globally as well.The social media leaderboard includes Facebook with 90 Million user base followed by 20 Million eachof Twitter & LinkedIn. A comprehensive social media strategy coupled with other digital marketing toolslike SEO & SEM can provide excellent platform for SME's to reach out to its target clients and can resultin building lifelong communities of potential and existing clients.This paper attempts to highlight the impact of Digital Marketing on the SME Business.

Key Words: Digital Marketing, SME, Impact, Obstacles, Opportunities

INTRODUCTION

Digital marketing campaigns have proven to greatly benefit businesses since they let you get in consistent touch with your potential customers. Thanks to their target-oriented as well as cost-effective approaches, it has become possible to promote products and services in a way like no other. Likewise, these campaigns create long-lasting as well as positive impressions on your brand as well as your potential customers. Target-oriented digital marketing campaigns tend to catch the attention of visitors who can potentially turn into leads or high-paying customers.

Digital marketing campaigns have become important options with regards to reaching a wider audience. Going digital means going online and, as such, provides you with a flexible marketing potential. One of these technological innovations is digital marketing. Such a campaign lets your business successfully reach more customers and increase sales volumes due to its versatile nature.

Digital Marketing for SMEs

Small and Medium Enterprises (SMEs) are a very important part of the Indian economy. It is the sector that has the maximum number of players. It is the sector that measures the spirit of entrepreneurship of a country. It can be said that SMEs form the backbone of the Indian economy. However, SMEs are always the quickest to adapt to changing scenarios. While large organizations in India have realized the role that the internet has played in changing consumer behaviour, SMEs have been slower in responding to the changes in the digital landscape. Consumers today are gathering information or doing research before they buy a product or service. Web sites of companies, blogs, and social media are popular information sources. In other words the role of digital media in making a purchase decision has gone up significantly. SMEs have to sharply increase their focus on digital marketing. SMEs have to treat their web site as their primary asset and offer useful and relevant content to prospects and customers. Most SMEs have web sites that are static and more in the nature of brochure ware. Therefore it is important for SMEs to create a digital marketing strategy or plan to increase digital presence.

Digital Media Marketing Strategy for Startups and SMEs

The key objective is to promote brands, build preference and increase sales through various digital marketing techniques. It is embodied by an extensive selection of service, product and brand marketing tactics, which mainly use the Internet as a core promotional medium, in addition to mobile and traditional TV and radio.

Digital marketing activities are search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, and e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e–books, optical disks and games, and any other form of digital media. It also extends to non-Internet channels that provide digital media, such as mobile phones (SMS and MMS), callback and on-hold mobile ring tones. The fundamental concept in digital marketing is based on the inbound marketing approach or generally it's called customer centric approach.

The list of the top 10 Digital Marketing agencies offering varied solutions to the small businesses of India:

- Social Media Champs – Pune
- Maximus Leads -Pune
- The Information Company – Mumbai
- Devak Infomark – Mumbai
- Digital Fives – Pune
- Optimization Systems – Pune
- Ethon Technology – Pune
- Click N Join – Mumbai
- Clifftech Tech Digital – Bengaluru And Nagpur
- Innoserve – Pune, Bengaluru And Mumbai

The above mentioned digital marketing agencies provide their best of their best services to the small businesses of India.

Some benefits of digital marketing include:

- Enabling your company, no matter its size, to compete internationally.
- A suite of media platforms to spread the message about your products, services and brands.
- More opportunities to educate customers about your business and products.
- Providing a vital platform for ongoing engagement with your customers.
- Obtaining timely feedback from your current and potential customers.
- Scaling up your business by facilitating growth and expansion.
- Generating faster revenues.
- Precise measurement of your marketing campaigns.

Digital marketing is so powerful that it can help transform your marketing approach overall. The goal is to establish your online identity, build trust and stimulate customer interactivity.

Optimising branding and digital marketing for SMEs

The lack of SME branding is one of the main reasons why your business may be struggling in terms of sales growth. Giving your business a voice and personality will enable your business to keep up with the competitors. Think of effective methods on how you want consumers to recognise your brand. For starters, conceptualising and running a strategic social media campaign offers excellent ways to distribute relevant content and demonstrate expertise without hurting your budget. Facebook ads, for instance, let you create branding and optimise digital marketing for SME at a reasonable price with desirable results. In the world of digital marketing, it is a common knowledge that Facebook is the most cost-effective medium to enhance branding and SME marketing strategies. This widely used social media platform allows you to strategically place your brand's story and content in front of your targeted consumer, minus the hefty price tag. Simply put, exhibiting and conducting a smart and unique social media marketing campaign through Facebook is much more affordable than running a big branding campaign. However, if you want to build your brand, generate sales and amp up overall digital marketing for SME through Facebook, there are some factors to keep in mind.

SME Marketing Obstacles

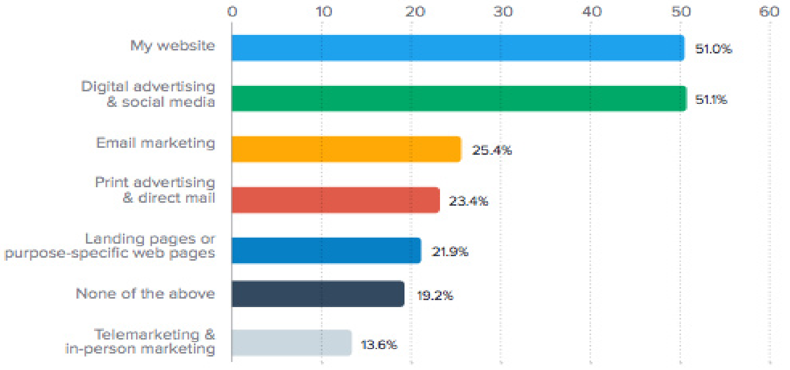
Large businesses have great opportunities and large marketing budgets and they can easily gain visibility through multi-channel marketing effort whereas SME's are always constrained with the choices and options to market themselves and gain visibility due to limited budgets at hand. Mostly SME's are quite dependent on the word of mouth of the happy customers and keep their effort revolving around few minimum channels which they can afford thus limiting their growth potential. Successful small businesses have long thrived on word-of-mouth to help promote their products &services. Small businesses with social media are now able to use free tools to help increase word-of mouth while decreasing the need for outbound advertising platforms like the cable television ads, newspaper ads, yellow pages, etc. During the past few years, the affordability and accessibility of Digital Marketing tools, coupled with the awareness of Digital Marketing in general, have opened up digital marketing to smaller businesses as a viable channel to find and engage with their customers.

Present Scenario of SMEs:

Small businesses have more marketing options than they ever have had before. Low barriers to entry on marketing automation and social media platforms present massive opportunities for smaller businesses, yet it also means increased complexity and more channels to keep on top of. This can be a big problem for smaller marketing departments which can quickly become overwhelmed.

Key areas of Digital Marketing for SMEs

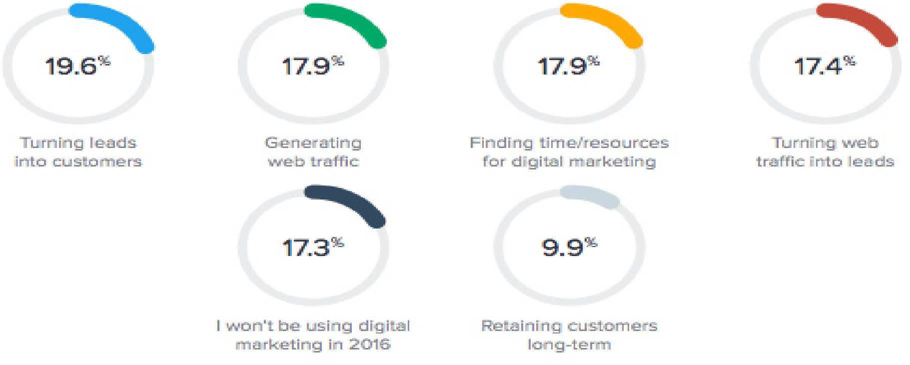
SMEs opined that they invest in website and digital advertising & social media more comparatively on email, print and traditional marketing strategies



Source : Report of Infusionsoft and Leadpages

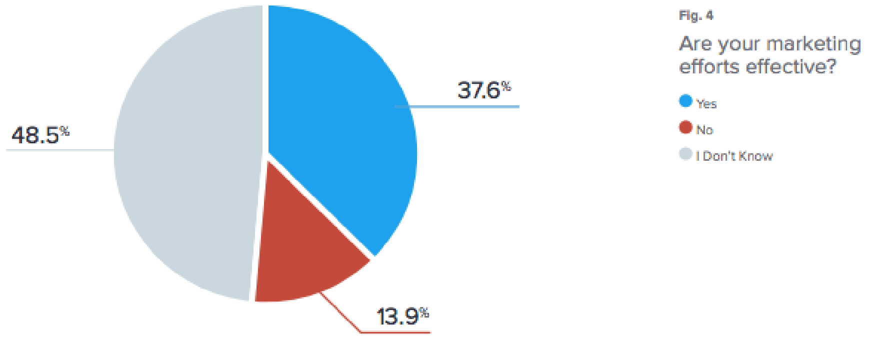
Major challenges for SMEs

The SMEs have responded for major challenge as turning leads into customers, Generating web traffic, Finding resources for digital marketing and Turning web traffic into leads comparatively concentrating also on retaining the customers long-term



SMEs need to better utilize analytics

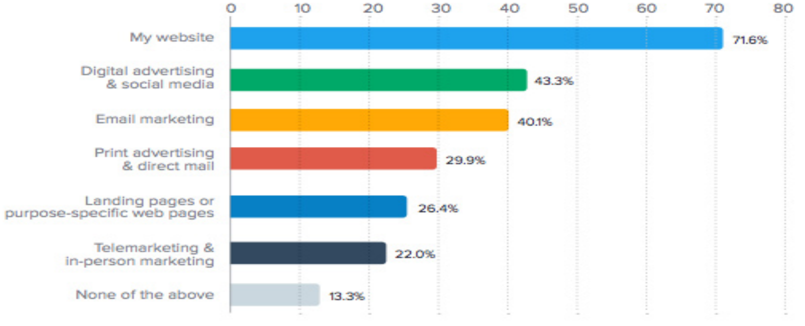
48% SMEs responded differently while effective efforts of marketing as they didn't know. It means small businesses need to get lot better at utilizing their analytics data to understand the value of different channels and model where they are receiving their revenue from.



Source : Report of Infusionsoft and Leadpages

Preferred marketing channels for small businesses

Over 70% of SMEs had websites set up, whilst social media and digital advertising were the second most common form of digital marketing employed. Email marketing came in third, which is an area we suggest SMEs should look at if they aren't already using it, because of its track record of delivering ROI.



CONCLUSION

The small businesses all are too frequently are missing out on some big opportunities. Most don't use email marketing, which could be a great way for them to overcome their biggest challenge: turning leads into customers. Too many aren't measuring the effectiveness of their marketing effectively and some isn't event using digital. This will leave them missing out on some huge opportunities. Digital marketing levels the playing field and means for the first time SMEs can compete with the bigger players. SMEs need to seize the moment and plan to make the most of it. In today's social media driven environment, it is essential that small businesses understand Facebook, Twitter, and the strategies behind using social media. With this mostly controlled medium, businesses have the opportunity to communicate with a wide variety of publics. Therefore, determining how a small business used social media to engage consumers was important. For many new small businesses, social media may be a new endeavor. They are learning through active participation which may be an overwhelming task for those without a solid understanding of the opportunities the sites offer. Small businesses need to understand how to use social media sites to engage customers and create relationships which will in turn grow their business.

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CHALLENGES BEFORE URBAN CO-OPERATIVE BANKS

Dr. M. Ramana Kumar, Professor
Reah School of Business Management,
Vikarabad.

ABSTRACT

India is in the midst of belated liberalization and globalization in our economy while this process has been introduced more gradually in other parts of the developing countries giving themselves more time to acclimatize to the changes. India has to literally leapfrog into the turbulence of 21st century with the support of IT advances in order to make up for the lost time. This is naturally putting great pressure on all types of business enterprises and institutional changes in their mindset and the ethos are be tuned to global demands. This process has further been rendered more difficult with bureaucracy and officialdom long used to many layers of authority and inbuilt delaying mechanism proving to be not very receptive to changes. A number of inefficient public sector organizations and even the private sector, in some cases, which were used to the protected environment and license, are at times feeling scared of the winds of change unleashed by globalization.

INTRODUCTION

The financial sector which is the focal point of all business, was naturally the first to get into the process of reforms. Basle prescriptions of global standards for banking were introduced to commercial banks and Urban Co-operative Banks. Public sector banks in particular required substantial infusion of funds from the Government to make them stand on their feet with second generation reforms in the banking sector having been put underway by the acceptance of recommendations of the committee on banking sector reforms. The integration of banks in India with the global players has very much begun while public sector banks are in the process of putting their act together to face up to the challenges thrown by the private sector and foreign banks. The smaller grassroots level banking organizations like the Urban Co-operative Banks are also feeling the heat of blistering pace set by the liberalized financial sector. Although the Urban Banks do not appear to be as much in difficulties as the State and District Co-operative Banks or the Rural Development Banks, nonetheless they too are feeling the need to change drastically and innovate as far as their approach to various facts of banking is concerned.

Competition From Other Banks

In a liberalized banking scenario, RBI and the Government have given substantial freedom of operations to banks. The public sector banks as well as private sector banks have entered such areas which were so far untouched by them or which got monopoly of Co-operative Banks in retail banking and consumer loans. With their good marketing network and also recovery network, they gained edge over Co-operative Banks. Such a challenge can be met with only by training the existing men power and acquiring the latest information technology.

Product Development

Today, it is not just adequate to offer good service to the customer, but it is essential to offer best service to the customer at his door step at a competitive price. Desire for change is the basic cause of innovation. Considering these factors the challenge before the Banks is to innovate, develop and provide various financial services and taking into consideration various risks such as credit risk, interest rate risk, market risk and liquidity risk. The profitability of the Banks much depends on their ability to manage effectively the various risk to which they are expected and to offer a variety of products to the customers. Proper pricing of the products has assumed added risk dimension in the context of RBI decision to give freedom to the banks in their service charges.

Manpower Competence

Challenges under this heading relate to attracting talent. Generally, highly qualified young people do not look at the Co-operative Banks for developing their careers. In other words, they may look at this institutions out of sheer necessity and only as a stepping stone. As a result there may be always a dearth of talent in Co-operative banks.

Structure Management

Organizational structure in a Co-operative Bank is generally like a pyramid where all major decisions in operational matters are vested in a few hands probably one or two persons. It is like addition of appendices as and when the need arises. The management do not take a comprehensive view. Thus, professional advice from a group of experienced and qualified middle management may not be always available. Hence, the top management may not be able to deliver the goods no matter how committed, serious and sincere they are in their approach.

Technology

Challenges also relate to financial cost of acquiring new technology with the introduction of software technology in day to day operations. The banking industry is marching towards the 21 century with such a speed that the Co-operative Banks have no option but to fall in line. But some times the cost of technology is unbearably great. If Co-operative Banks have to implement and reap full benefits of the system, they will have to take concrete steps to adopt the new technology in a phased manner. Fortunately, of late all banks have realized the importance and development of information technology as a strategic tool for profit maximization. Information Technology should help banks in developing better MIS, better corporate planning and better decision support system which are very crucial in the new world.

Regulations

As far as regulations are concerned, the challenge before the co-operative banks now is to conduct economically and commercially viable and profitable operations within the frame work of the laws which govern co-operative banks. This is because they are under dual control i.e. under State or Multi State Co-operative Societies Act and under RBI through Urban Banks Department. While in some case RBI has adopted a liberal approach in operational matters, the Government has not. In some other cases while the Government has relaxed certain conditions, the RBI has not. The challenge lies in forcing the authorities to provide level playing fields.

In the light of above discussions, the challenges faced by the Urban Banks can further be summarized as under:

- They are required to improve their capital base and maintain their NPAs at minimum possible level.
- They have to make full use of modern techniques of Information Technology in order to provide competitive and fast service to retain their old customer base.
- Formulate special schemes for artisans, cottage and small scale units in their traditional areas. The credit schemes should be linked with some support in marketing.
- Developing human resources in new areas of banking including agriculture by providing them training.

In order to maintain their clientele base, the Urban Co-operative Banks should make advantage of their strengths and eliminate their weaknesses. They have to be financially strong with adequate system of control and supervision.

Corporate Governance in Urban Co-operative Banks

Corporate Governance has become a new buzz word. It is a concept which can change our ways of thinking and doing business leading scamlessly to the attainment of six sigma in all process. So what is corporate Governance? What does it means? How do we operationalise it? In practice what does it imply mean for the Urban

Co-operative Bank? As a concept, Corporate Governance has come to the fore only lately but as a part of business ethic it has always been there. There are two broad stands of thought, first is the Anglo American model which we have adopted as most of our institution and their institutional structures of Governance and control are patterned on the Anglo Saxon model and the Franco German Model which lays stress more on the long term interests of an institution's core stake holders. What have Banks to do with co-operative governance. This applies only to firms. Corporate comes from “Corpus” a body, a legal entity and governance is to direct and control. Its very name is self explanatory and stands for governance by the board. Mitton Friedman the American Nobel Prize winning economist defines it in terms of market maximization.

To conduct business in accordance with share holders' desires make as much money as possible while conforming to the basic rules of society embodied in laws and customs i.e. to do business but in conformity with laws and ethics but not in an illegal manner violating any rules. OECD defines it as the system by which business corporations are directed and controlled. It specifies the distribution of rights and responsibilities of different participants in a corporation board, managers, share holders other share holders and spells out the rules and procedures for and in UK after Nick Leeson a rogue trader nearly brought down the Barings Bank need to know the necessity of correct information became paramount leading to corporate governance issues. Corporate governance has emerged as a set of arrangements that maximize the incentives for value enhancing investments while minimizing inefficient power seeking. It is the issue quite simply, of how to get managers to work for share holders and majority share holders to work for all share holders. The main function of all banks and naturally of Urban Co-operative Banks is to mobilize savings i.e. deposits and channelise them into productive investment to earn returns. Thus it is incumbent upon them to screen credit worthy borrowers and projects by filtering and through an appropriate lending policy. Through Risk Management Committee and by efforts to monitor the use of borrowed funds as intended through the exercise of judicious pre-sanction survey and effective post-credit disbursal. Through appropriate credit administration which as to be buttressed through loaned amounts by protecting creditors rights. Internal External Audit Committees thus play a critical role in screening the correctness of decisions. Share holders in Urban Banks enjoy the benefit of high leverage with the downside protection of deposit insurance which weakens their incentives for strong management monitoring. From a banking industry perspective corporate governance involves the manner in which the business and affairs of individual institutions are governed by their Boards of Directors and senior management, affecting how banks……

- Fulfill corporate objectives, business targets (including generating economic returns to owners).
- Run the day to day operations of the business.
- Consider the interest of recognized share holders
- Align corporate activities and behavior with the expectations that the banks will operate in a safe and sound manner, and in compliance with applicable laws and regulations.
- Protect the interests of depositors.
- Enabling and proactive regulatory and supervisory oversight and
- Internal control through a vibrant and professional board.

Banks are financial intermediaries critical for mobilizing public savings and for deploying them to provide safety and return to the savers. They thus have fiduciary responsibility. The deployment of funds mobilized through deposits involves banks in financing economic activity and providing the lifeline for the payments system. The banking system is something that is central to a nation's economy, and that applies where the banks have locally owned Urban Banks or Public Sector Banks. The owners or share holders of the banks have only a minor stake and considering the leveraging capacity of banks (more than ten to one) it puts them in control of very large volume of public funds of which their own stake is measured. In a sense, therefore, they act as trustees and as such must be fit and proper for the deployment of funds entrusted to them. The sustained stable and continuing operations depend on the public confidence in individual banks and the banking system. The speed with which a bank under a run can collapse is incomparable with any other organization. For a developing economy like ours there is also much less tolerance for downside risk among depositors many of whom place their life savings in the banks. Hence from a moral, social, political and human angle, there is a more onerous responsibility on the regulator. Millions of depositors of the banks whose funds are entrusted with the banks are not in control of their management. Thus concentrated share holding in banks controlling huge public funds does pose issues related to the risk of concentration of ownership because of the moral hazard problem and linkages of owners with business. Hence ensuring fit and proper status of such owners and directors of banks is important. At the same time, there is, perhaps, even grater concern over corporate governance and the need for professional management. In view of this, apart from ensuring fit and proper consideration, in order to safeguard depositors' interest and ensure systematic stability, the regulatory and supervisory frame work has to ensure that banks have adequate capital to cushion risks that are inevitable in their operations, follow prudent and transparent accounting practices for risk management. Seen from this standpoint great responsibility is imposed on the regulator. The banks are expected to grow with the economy. There is also opening up of the economy and increasing integration with the global economy. As this happens, the regulator has to ensure that the banking system is strong, healthy and resilient to withstand shocks. We also want to ensure that transparency improves and want to move to international best practices in regulations, supervision, risk management while at the same time calibrating the suitability to the domestic conditions and needs at the current stage of development. Thus ultimately corporate governance implies the need for high ethical standards. High ethical standards which will create better value for all share holders. An urban bank derives it legitimacy term, it's ability to fulfill social needs, it is accountable to society and to its shareholders from whom it derives strength and sustenance.

Corporate Governance is:

1. Doing everything better
2. Improve relation between companies and share holders.
3. Increase the knowledgebase and responsibilities of directors.
4. Encourage people to think long term
5. Ensure that information needs of all share holders are met with.
6. Ensure that executive management is monitored properly in the interest of share holders.

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EMERGING TRENDS IN CUSTOMER RELATIONSHIP MANAGEMENT WITH REFERENCE TO INDIAN PUBLIC BANKS

Dr. B. Muralidhar, Professor,
Department of Business Management,
Osmania University, Hyderabad.

Ms. P. Rockeny Joyce, Assistant Professor
Adarsh PG College of Computer Science,
Mahabubnagar.

ABSTRACT
Customer relationship management has driven drastic changes in Indian public banks as private banks are focusing on Customer centric services in order to achieve its goals and objectives. Indian public banks has also focused on customer relationship management by using advanced technology, tools and techniques to identify customer's preferences and then offering the services to satisfy them. CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with Banking Industry in India has undergone a rapid changes followed by a series of fundamental developments. Those customers through individualized marketing, repricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses. Under this case study, a campaign management in a bank is conducted using data mining tasks such as dependency analysis, cluster profile analysis, concept description, deviation detection, and data visualization. Crucial business decisions with this campaign are made by extracting valid, previously unknown and ultimately comprehensible and actionable knowledge from large databases.

KEYWORDS: Customer relationship management, Indian Public banks, Customers.

INTRODUCTION
Customer relationship management (CRM) was initially coined in the 1990s which refers to the holistic approach that organizations can maintain relationships with their customers, includ¬ing policies related to contact the customers, collecting, storing, analyzing customerinformation, andthe technology needed to perform those

tasks. Today, many businesses such as banks, insurance companies, and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination between IT and marketing departments to provide a long-term retention of selected customers. This paper deals with the role of Customer Relationship Management in banking sector and the need for Customer Relationship Management to increase customer value by using some analytical methods in CRM applications.

CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with Banking Industry in India has undergone a rapid changes followed by a series of fundamental developments. Those customers through individualized marketing, repricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses. Under this case study, a campaign management in a bank is conducted using data mining tasks such as dependency analysis, cluster profile analysis, concept description, deviation detection, and data visualization. Crucial business decisions with this campaign are made by extracting valid, previously unknown and ultimately comprehensible and actionable knowledge from large databases. The model developed here answers what the different customer segments are, who more likely to respond to a given offer is, which customers are the bank likely to lose, who most likely to default on credit cards is, what the risk associated with this loan applicant is. Finally, a cluster profile analysis is used for revealing the distinct characteristics of each cluster, and for modeling product propensity, which should be implemented in order to increase the sales.

Indian public banks despite of being established in 1906private banks are far ahead in reaching the customer expectations .Public banks in India need to embrace CRM as strategy for managing long term relationship with customers.

REVIEW OF LITERATURE

According to (Wilkinson and Lomax, 1989) Banking sector is one of the most important service sectors. Banking has now become a totally competitive industry, virtually worldwide New customer service programmers were introduced during the 1980s and early 1990s in the race to be competitive and ultimately to expand the business Banks are adding more services to their customers and the Indian banking industry is passing through a phase of customers' market.

According to John brooks former president and chairman of the council of the charted institute of bankers London stated “Customer care is emerging as a critical factor in the banking industry and bankers are full conscious of the need for attaining international standard for service.” Cap Gemini consulting 2016 (Amitsaxena ,Amitkumar ,Vamsikrishnasuvarna and varunrawat) has cited that banks are focusing on business growth through customer engagement which states customers are the key drivers, where banks has to capture the new segments of the market, by creating financial awareness to the customers.

According to Subbaroaebicherla (Advertising& Marketing) Any business firm’s success is fundamentally based upon the satisfaction of the needs of the customers. The business strategy of a company needs to be customer centric. CRM is the business strategy which puts the customer in the nucleus of business. Of late, ‘RELATIONSHIP MANAGEMENT’ is the order of the day in banking industry and customers never had it before. In a savings-driven economy like ours, banks have finally come of age and the emphasis is now on making the customer feel that he is the king. Dr. B.C. Saraswathy in her article has stated that the mail objectives of CRM are building long term, sustaining relations with customers by delivering superior customer value and satisfaction. Instead of trying to maximize profit for each every transaction, CRM focuses on maximizing profits over the lifetime value of customers. Undoubtedly, CRM is a potential tool in sustaining and boosting sales in this era of hyper competitive world.

CRM TRENDS IN INDIAN PUBLIC BANKS:

Here are the vital customer relationship management trends in the Indian public banks

- TECHNOLOGY :Impartation of Technology has brought enormous changes in Indian Public banksto enrich Customer relationship management(CRM) where in Technology &IT enables EFT (Electronic funds transfers), ECS(Electronic clearing systems) ATM’s, Telebanking or mobile banking , online recharge like EDI (Electronic data interchange) FDI(Foreign direct investment) .
- FEEDBACK FORMS: “Feedback Forms” has been introduced in Dynamics CRM 2016 Update 1. The purpose of adding this entity is to provide the feedback and rating for particular entity in CRM. This is useful for the organizations or banks for tracking the feedback for the product they are selling, or support/services that they are providing to the customers. This Feedback and Rating in Dynamics CRM 2016 helps to improve the product’squality or customer experience with your organization.

- DATA MINING &DATA WARE HOUSING: Data ware housing integrates the Customers data includes retrieving ,analyzing ,extracting ,loading,transforming and managing the customers data so that the Indian public banks identifies and maintains a quality relationship with loyal customers.
- CUSTOMER LOYALTY: In order to maintain a long term relationship with the key customers the CRM(Customer relationship management) banks identifies the loyal customers which enhances a healthy relationship with the customers.
- CUSTOMER SERVICE DEPARTMENT: It is one of the key trend in banking sector CRM , the Customer service department likely acts as grievance department, takes care of customer complaints, solves the problems of customers. handles the discrepancies etc..
- CUSTOMER ORIENTED STRATEGY: The public banks in India uses Branch phones, Websites, Email, direct mail and advertising channels to interact with the customers which finally helps to form a Customer oriented strategy .
- INTERNET BANKING: Internet banking has brought revolution in banking sector, The Indian Public banks developed multiple platforms directed by CRM, Which enables Channels for Online banking which is most convenient to the customers. Internet banking can be done on GSM Mobiles, Smart phones, Tablets, PC's, Laptop's etc.

The below cited key points would be predicted for upcoming CRM practices in Indian public banks

- AWARENESS CAMPS:Arranging camps in rural and urban areas with the Support of NGO's on usage of ATM's , Loans, offers on fixed deposits etc would add new customers in rural areas.
- DELIGTING THE CUSTOMERS:Greeting the customers on festivals, birthdays, wedding anniversaries, retirement day through mails, messages and post card.
- INNOVATIVE SERVICES:Public sector banks need to introduce innovative customer services at low cost with high profitability by attracting new customers and to retain the old or existing customers.
- INTERACTION WITH MANAGERS: By scheduling one on one session with the bank manager with the customers who wants to with draw their accounts can help the bank to retain the customers as they are more likely to become a referral source.
- CUSTOMER SERVICE REPRESENTITIVES:likewise of the private banks, public banks need to take support of customer service representatives to handle the customers complaints.

- FOCUS ON NEW SEGMENTS: Public sector banks needs to focus on the new segments, where people are unaware of our banking services.

CONCLUSIONS:

The present study provides some guidelines for customer relationship management satisfied customers are loyal customer, their retention rate is much higher and so is their overall profitability for the bank. CRM offers the most holistic route for banks to enhance customer relationships. Banks can enhance customer retention, profitability and loyalty and get an increased share of banks from their customers. Banks need to embrace CRM as a principle and adopt a strategy for managing customer relationships that effectively addresses three key areas, customers, processes and technology. Finally banks should take actions such as recognition and delegation of work, freedom to handle customer's grievances and management's approval to take decision according to the situations.

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A STUDY ON DIGITAL MEDIA AND ITS IMPACT ON CONSUMER DECISION MAKING WITH SPECIAL REFERENCE TO HYDERABAD CITY.

Dr. Chevula Chandra Shekar, Associate Professor
Rishi UBR PG college for Women, Kukatpalli, Hyderabad

ABSTRACT
The present study was undertaken with an objective to study the digital mediamarketing and how the consumers are using as a platform to share marketing information about products and servicesThe study aims to study the interested activities of consumers in using digital media networking and to study the impact of digital media networking on buying decisions. It is intend to analyze the impact of digital media advertisements on purchasing behavior of consumers and to study the future scope of digital media networking. The study is done at Hyderabad and the data was collected by interviewing respondents. The Hypothesis of the study was framed based on the factors From the study it was found that the respondents shown interest in organizing events, using various applications, creating groups, reading notes and commenting, bidding and gambling and maintaining blogs. Also, most of the respondents using digital media respondents for communication, entertainment and spending time and sharing knowledge. It is suggested to the Digital Media Networking sites to improve the quality in the features in order to access more number of features. Also, these networking have to take care of privacy controlling issues and security issues. The companies can use it as a platform to spread marketing related information and bring awareness about new product launches

Key words: Digital Media Marketing, Purchasing behavior, communication, quality, security

INTRODUCTION
Digital marketing is an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium. The way in which digital marketing has developed since the 1990s and 2000s has changed the way brands and businesses utilize technology and digital marketing for their marketing. Digital marketing campaigns are becoming more prevalent as well as efficient, as digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of going to physical shops. Digital marketing such as search engine optimization (SEO), search engine marketing (SEM), content marketing,

influencer marketing, content automation, campaign marketing, and e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e–books, optical disks and games, are becoming more and more common in our advancing technology. In fact, this extends to non-Internet channels that provide digital media, such as mobile phones (SMS and MMS), callback and on-hold mobile ring tones. Some sites cater to diverse audiences, while others attract people based on common language or shared racial, sexual, religious, or nationality-based identities. Sites also vary in the extent to which they incorporate new information and communication tools, such as mobile connectivity, blogging, and photo/video-sharing. Scholars from disparate fields have examined SNSs in order to understand the practices, implications, culture, and meaning of the sites, as well as users' engagement with them. Web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site. While we use the term "Social NetworkingSite" to describe this phenomenon, the term "Social NetworkingSites" also appears in public discourse, and the two terms are often used interchangeably. We chose not to employ the term "Networking" for two reasons: emphasis and scope. "Networking" emphasizes relationship initiation, often between strangers. While Networking is possible on these sites, it is not the primary practice on many of them, nor is it what differentiates them from other forms of computer-mediated communication (CMC).

OBJECTIVES OF THE STUDY:

1. To study the purpose of using digital media networking sites.
2. To study the interested activities of consumers in using digital media networking sites.
3. To analyze the impact of digital media on Consumer buying behavior
4. To study the future scope of digital media networking sites.
5. To analyze the impact of advertisements on purchasing behavior of consumers.

RESEARCH METHODOLOGY:

The primary data was collected randomly from 100 respondents who use social networking sites using questionnaire at Hyderabad. The data was analyzed using factor analysis based on various factors responsible for using digital media websites which is helpful in making marketing decisions.

HYPOTHESIS:

Hypothesis – 1:

H10: Consumers do not have interest in Commenting on Photographs, Watching Videos, Uploading photographs, commenting on Other's Status, Chatting with friends, Making Friends, Sending invitations to others.

Hypothesis – 2:

H20: consumers do not show interest on Uploading Videos, Writing messages, Reading Notes, and Commenting and Maintaining on blogs.

LITERATURE REVIEW

The facts are that digital methods of communication and marketing are faster, more versatile, practical and streamlined, so it is perhaps unsurprising that once the technology became available we began quickly moving into the digital age. The good news is that digital offers just as much potential to marketers as it does to consumers. Before we look at the benefits of digital marketing, let's take a quick snapshot of some of the key forms of it at present:

The bottom line is, the digital age is here, and those businesses that fail to adapt to the new marketing climate are at great risk of going extinct sooner rather than later. Digital media can be characterized as: "online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content" (Universal Maccann International, 2008, p. 10). The importance of social network media lies in the interaction between consumers and the community, and in the facilitation of "asynchronous, immediate, interactive, low-cost communications" (Miller et al., 2009, p. 306). Social network sites allow individuals to construct a public or semi-public profile within a bounded system; to articulate a list of other users with whom they share a connection, and to "view and traverse their list of connections and those made by others within the system" (Boyd and Ellison, 2007, p. 211). On larger social network sites, individuals are typically not looking to meet new people but are more interested in managing relationships by maintaining contacts with old friends who are already part of their extended social network (Boyd and Ellison, 2007; Hart et al., 2008). To sum up, social network sites can be seen as alternative communication tools which support existing relationships and activities in a fun and colourful way that can enrich the users' experiences (Ofcom, 2008). Many social network web sites have emerged; attracting distinctive groups of users in terms of their demographics, for example the average age of users of Bebo is lower than for Facebook. Many appeal to communities with specific shared interests (e.g. the "Dogster" and "Catster" networks are targeted at pet owners).

In addition to consumer-oriented social network sites, many professional and trade associations have set up networks to exchange information of particular interest to members (for example the social networking site “LinkedIn” is particularly aimed at professionals). This paper is primarily concerned with personal users of social network sites, rather than situations where there is a business use. It is particularly concerned with the use of social network media by young people. There is now a lot of evidence that social network sites have become mainstream and it has been reported that globally, these sites account for one in every 11 minutes spent online. In the UK, this figure is even higher – one in every six minutes (Nielsen Company, 2009a). Over half (54 per cent) of internet users between 16 and 24 have set up their own page or profile on a social networking site (Ofcom, 2008). In the USA, 67 per cent of online users between 18 and 32 make use of social networking sites and 60 per cent have set up their own profile (Jones, 2009). It is also reported that social networking and blogging sites are now more popular then e-mail as a means of social communication – Nielsen said “social networking sites eclipsed e-mail in global reach at 68.4 % vs 64.8 % in February 2009” (Nielsen Company, 2009b, p. 9). The take up of online digital media has been at the expense of traditional media, and a study by Ofcom of the media habits of UK 15-24 year olds shows that since using such media for the first time, the amount of time they spent reading national newspapers declined by 27 per cent; reading local newspapers by 22 per cent; reading magazines by 21 per cent; listening to radio by 15 per cent and watching TV by 13 per cent (Ofcom, 2006). Online digital media offers opportunities to connect with these hard-to-reach audiences drifting away from traditional media.

Overall, there is evidence that online social network sites are seen by young people as an integral part of their life (Constantinides and Fountain, 2008). A number of studies have shown, that emerging adults use social networking sites to connect with people from their offline lives, such as friends and family (Ofcom, 2008; Pempekaet al., 2009; Subrahmanyamaet al., 2008). It has even been stated, that young people live their lives online and in public via these sites (Subrahmanyama and Greenfield, 2008). There has been a lot of discussion of “brand communities”, formed when individuals become interdependent because of collective identity, shared rituals and moral responsibility to members (Muniz and O’Guinn, 2001). A brand community is capable of collective action over time, notably sharing information, perpetuating the history and culture of the brand, providing assistance to new members and exerting pressure on members to remain loyal to the collective and to the brand. In one study, 62 per cent of “Generation Y” users had visited a brand or fan page on a social network, and 48 per cent actually joined such a network, citing reasons that included: getting news/product updates, view promotions, view/download music/

videos, posting opinions and connecting with other customers (O'Malley, 2009). However, the same study also noted that although the majority of young consumers (84 per cent) noticed ads on social networks, only 19 per cent found them relevant and 36 per cent never clicked on any ads (O'Malley, 2009).

For the brand owner, nurturing brand communities involves a fine balance between using pressure to steer the community in the direction that would be in the brand owner's interests, and relinquishing some degree of control of the brand to the community (Muniz and O'Guinn, 2001). Successful online brand communities need to include a variety of interests that have a direct, but non-intrusive connection with the brand in order to generate a sense of belonging to a group and shared interests (Brown et al., 2007). For example, the brand community "MyStarbucksIdeas" gives users the opportunity to share, vote, discuss and see Starbucks ideas. Social network sites have a practical cognitive function in facilitating product choice. There is nothing new in the effects of a buyer's peer group in influencing purchase decisions and basic buyer behaviour models have traditionally included peer group influences on the final outcomes. There is a lot of evidence, for example, that, when comparing professional and personal services providers, customers prefer to be guided by information from friends and other personal contacts rather than a company's formal promotion mix (Harrison-Walker, 2001; Susskind, 2002). Of course, positive word-of-mouth recommendation is generally dependent on customers having good experiences with an organisation. An important communication objective for firms is often therefore to leverage "free" positive promotion through word-of-mouth recommendation, and to limit the damage caused by negative word-of-mouth.

The world is aTwitter with Google's launch of Buzz, the newest digital media vehicle intended to entice both consumers and marketers (reviewed by Dennis Pitta in this issue). Digital media include rating and review sites, video and content sharing sites, blogs, specialty groups, and organized social networks such as Facebook, MySpace, Twitter, YouTube, and Linkedin. Personal invitations serve as the means to enter a social network and join the conversation. As the sites grow, so does their potential for marketing activity. Social networking is word-of-mouth marketing via the internet. Recent research suggests that word-of-mouth referrals have "substantially longer carryover effects than traditional marketing actions and produce substantially higher response elasticities" (Trusovet al., 2009). Time spent watching television is unchanged while time spent social networking has grown 93 percent since 2006. Despite this, marketers still consider digital media experimental and budgeted less than $100,000 for them as part of their IMC mix for 2010 (Ray, 2009).

DATA ANALYSIS:
FACTOR ANALYSIS

Table 1.1: TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.803	11.268	11.268	1.803	11.268	11.268	1.704	10.649	10.649
2	1.593	9.953	21.222	1.593	9.953	21.222	1.453	9.082	19.730
3	1.505	9.408	30.630	1.505	9.408	30.630	1.450	9.065	28.795
4	1.312	8.202	38.831	1.312	8.202	38.831	1.341	8.384	37.179
5	1.245	7.782	46.613	1.245	7.782	46.613	1.266	7.914	45.093
6	1.178	7.361	53.974	1.178	7.361	53.974	1.263	7.894	52.988
7	1.078	6.740	60.714	1.078	6.740	60.714	1.236	7.726	60.714
8	.961	6.004	66.718						
9	.913	5.708	72.426						
10	.885	5.533	77.958						
11	.755	4.721	82.680						
12	.724	4.522	87.202						
13	.592	3.703	90.905						
14	.539	3.367	94.271						
15	.495	3.095	97.367						
16	.421	2.633	100.00						

Extraction Method: Principal Component Analysis.

Table 1.2: ROTATED COMPONENT MATRIX

	Component						
	1	2	3	4	5	6	7
Commenting on Photographs	.018	.019	.004	.054	.855	-.024	.050
Commenting on Other’s Status	.501	.069	-.034	-.109	-.184	.219	-.446
Chatting	.003	-.042	.064	.825	.010	.020	-.060
Uploading Photographs	-.071	.790	-.067	-.092	.036	-.039	.132
Playing games	.439	.015	-.011	.164	-.466	-.235	.357

Watching Videos	-.723	.063	.015	.170	.058	-.075	.001
Making Friends	.190	.590	.257	-.158	.267	-.034	-.173
Sending invitations	.658	-.079	.079	.264	.208	-.085	.061
Organizing events	.160	-.006	-.068	.114	.114	.795	.073

Using Various applications/tools	-.115	.322	-.014	.256	.004	.233	.533
Creating groups	.009	-.055	.669	.138	-.019	.357	-.003
Uploading Videos	.244	.084	-.161	.323	.258	-.522	.047
Writing messages	.108	.111	.794	.054	-.027	-.115	-.026
Reading Notes	-.161	.567	-.007	.283	-.266	.000	-.041
Commenting and Maintaining on blogs	.153	-.108	-.096	-.352	-.036	.018	.742
Bidding & Gambling	-.320	-.058	.500	-.280	.117	-.210	-.091

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 10 iterations.

The first step in interpreting the output is to look at the factors extracted, their Eigen values and the cumulative percentage of variance. We see from the Total variance explained table, 7 factors extracted together account for 60% of the total variance which means that if we don't consider the remaining 9 factors, only 40% variance is lost which does not affect the final outcome of the research.

Next step is to interpret what these 7 factors represent. This can be done with the help of Rotated component matrix.
Factor 1: Looking at rotated component matrix, the component 1 has highest loading of 0.658. So component/ factor 1 are named as Sending invitations.
Factor2: We see that, uploading photographs is the only variable which has highest value say 0.790. So factor2 can be named as Uploading photographs.
Factor 3: Writing messages is the only variable which has highest value as compared to other variables in the rotated component matrix under component3. So this factor/ component can be named as writing messages.
Factor 4: Chatting is the only variable which has highest value under component4. So these component/ factor 4 can be named as Chatting.
Factor 5: Commenting is the only variable which has highest value 0.855. So Commenting is the apt name for this factor.

Factor 6: Now for factor 6, we see that organizing events has highest loading 0.835. As this variable stands for factor 6, the factor can be named by its own name 'Organizing events'.

Factor 7: Commenting and maintaining the blog is the only variable which has the highest value under component 7. So factor7 can be named as Commenting and maintaining blogs.

We reject theH10(null hypothesis) and conclude that most of the consumers have interest in Commenting on Photographs, Uploading photographs, commenting on Other's Status, Chatting with friends, Making Friends, and Sending invitations to others.

Looking at the factor loadings from the above table we reject theH20(null hypothesis) and conclude that most of the consumers show interest on Uploading Videos, Watching Videos, Writing messages, Reading Notes, and Commenting and Maintaining on blogs.

DATA FINDINGS:

1. Most of them have shown interest on commenting photographs, writing messages, other's status, chatting, uploading photographs and making friends in the digital medianetworking.
2. Some of them have shown interest in playing games, uploading videos, watching videos and sending invitations.
3. Minimum number of respondents has shown interest in organizing events, using various application/tools, creating groups, reading notes and commenting, bidding and gambling and maintaining blogs.
4. Maximum number of respondents has not shown interest to the ads in the social Networking sites and only some of them has purchased goods/services through the social Networking sites
5. It is observed that the overall impact on social Networking sites on the respondents is high.

SUGGESTIONS:

1. Popular Networking sites like face book, twitter, orkutetc; are showing greater impact on consumers by its features like sharing photos, sharing videos, communicating with friends etc., which are very helpful to connecting, sharing thoughts, sharing messages etc., with friends. Hence social Networking sites have to improve the quality in these features so that more and more customer

will have a chance to use this trait.

2. Social Networking sites have to increase the privacy control features.
3. Recently, there was a compliant on face book due to altering privacy and security settings every time. These types of complaints, rumors will ruin the individual interest. Hence, at most care should be taken in order to get satisfaction of customers.
4. The ads in the social Networking sites must be in attractive manner.

CONCLUSION:

The Present study was undertaken with an objective to study the impact of digital medianetworking. The study aims to study the interested activities of consumers in using digital medianetworking and to study the purpose of using digital medianetworking. From the study it was found that the respondents shown interest in organizing events, using various applications, creating groups, reading notes and commenting, bidding and gambling and maintaining blogs. Also, most of the respondents using digital media respondents for communication, entertainment and spending time etc. It is suggested to the social Networking sites to improve the quality in the features in order to access more number of features. Also, these networking have to take care of privacy controlling issues and security issues.

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MARKETING AT THE BOTTOM OF THE PYRAMID

Gowri Pisolkar Deshpande, Associate Professor
Aurora PG College, Uppal, Hyderabad

ABSTRACT

The phrase "bottom of the pyramid" was used by U.S. president Franklin Roosevelt in his April 7, 1932 radio address, The Forgotten Man, in which he said "These unhappy times call for the building of plans that rest upon the forgotten, the unorganized but the indispensable units of economic power...that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid." Wide spread poverty is an economic, social, moral problem. For many decades, this problem is addressed by governments, developed countries, international organizations (such as the World Bank and the United Nations), aid foundations, and non-governmental organizations. But the dialogue restricts only to alleviation of poverty by certain economic assumptions. Of late, management experts and business schools have ventured this domain. C.K. Prahalad has been one of the pioneers of this movement. "Marketing at the Bottom of the pyramid "- refers to markets that serve some of the poorest individuals. Bottom of the pyramid (BoP) has been the hot topic for long. Many multinational companies contend that they are implementing BoP marketing strategies. This segment in reality requires a different treatment while selling products targeted to the underprivileged. The adaptation of an existing product containing inclusive growth at the local community level should be the main focus. The placement of the product, price, and promotion strategies needs to kept in mind and exclusive strategies for the up- lift of the underprivileged needs to be taken care off. This paper delves in the issues and opportunities of this segment.

INTRODUCTION:

In economics, the bottom of the pyramid is the largest, but poorest socio-economic group. This is the more than 3 billion people who live on less than US$2.50 per day, worldwide. The phrase "bottom of the pyramid" is used in particular by for doing business targeting that demographic, often using new technology. Often referred to as the "Base of the Pyramid" or just the "BoP". This potential market, untapped for many years has generated lots of interest in business schools offering consultancy on the burgeoning market. Many books like "The Fortune at the Bottom of the Pyramid" by C.K. Prahalad of the Michigan, "Capitalism at the Crossroads" by Stuart L. Hart of Cornell University and the first empirical article, "Reinventing strategies for emerging markets: Beyond the transnational model," by Ted London of the University of Michigan and Hart. London has also developed a working paper, commissioned by the United Nations Development Program that explores the contributions of the BoP literature to the poverty alleviation domain. One example of "bottom of the pyramid" is the growing microcredit market in South Asia, particularly in India and Bangladesh. With technology being steadily cheaper and more ubiquitous, it is becoming economically efficient to "lend tiny amounts of money to people with even tinier assets". An Indian banking report argues that the microfinance network (called "Sa-Dhan" in India) "helps the poor" and "allows banks to 'increase their business'".

The phrase "bottom of the pyramid" was used by U.S. president Franklin D. Roosevelt in his April 7, 1932 radio address, The Forgotten Man, in which he said "These unhappy times call for the building of plans that rest upon the forgotten, the unorganized but the indispensable units of economic power...that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid."

Objective: The objective of the paper is explore marketing approaches reflecting the strategies for this segment and analyze what are the different marketing mix modifications to attract this segment.

Methodology: The methodology used is the secondary data.

Market at the Bottom of the Pyramid.

It was long thought that products for the rich are not suitable for the poor and markets of the poor are less attractive. But new business models are energizing the markets at the bottom of the pyramid to become attractive and viable. People hovering around the poverty line do not have the purchasing power to invest in 'inventory'. Buying a 'jumbo' discount pack of shampoo, or even big pack of biscuits is not workable. Those products that cannot simply be packed in sachets should be totally re-designed or brought to the market in form of leasing and / or rental schemes, as poor people can usually not afford the upfront investment. Paul Polak therefore proposes a radical design revolution and invites designers of this world to design products for the 'other 90%' rather than focus on an improved iPod or perfume bottle for that 10% of the market which is already saturated, peopled by those who have everything, and are sated, if not perhaps satisfied.

BoP economic potential may be underrated because of four main misperceptions of poverty:

- **Income is too low, the poor can't buy MNCs' products**

The buying power of individual BoP customers is low but as a group, the aggregate buying power allows communities to buy goods like computers or cellular phones. The large number of poor communities in Asia, Africa and South America represent an enormous economic potential when products are bought collectively.

- **Goods sold in developing markets are so cheap that MNCs can't make reasonable profit.**

The costs of essentials are much higher for the poor than for their middle-class counterparts. In a Harvard Business Review article called "Serving the world's Poor Profitability" (2002), C.K Prahalad and A. Hammond show the difference in costs of essentials between poor and middle-class in Mumbai, India. The annual charge interest for credit is more than 50 times higher for the poor. Municipal grade water is more than 30 times more expensive for the poor (infrastructures for running water are underdeveloped in slums) than for the middle-class and upper-class communities. This double penalty –poor living conditions and higher prices– also applies to food, medication and many other products.

- **The poor don't waste money on luxury products, they only fulfill basic needs.**

Owing a house and installing other amenities may not be a viable option. Although, people who live in slums can't reasonably obtain a credit to own their own house, but it doesn't mean they can't buy anything. The poor often buy luxury items like televisions, gas stoves or domestic electrical appliances. These more affordable products -considered as luxury products- are a much more realistic investment and they improve the quality of life right now, not in a hypothetical future.

- **The poor don't have the required skills for the use of advanced technology.**

The penetration of technology in India and other Asian countries starkly defies this concept. Mobile phones have penetrated so rapidly within these segments that it has surpassed the expectations of many a companies. Even with the internet being available on the handsets, the technological usage has improved.

Marketing approaches at the Bottom of Pyramid

The 4P system may well be called the traditional classification of marketing mix (Waterschoot & Van Den Bulte, 1992).All kinds of business are developed to target a segment. It can be the whole market or a specific group within the population. The important aspect is that once a company has decided which segment of the market it will enter, it must decide what position it want to occupy in that segment (Kotler & Armstrong, 2001). It means that the firm should define how it want to be remembered by its consumers, the place they want their product to occupy in the consumer's minds relative to competing products. As Kotler & Armstrong (2001) define, "positioning involves implanting the brand's unique benefits and differentiation in customer's minds". In order to position the brand a firm has different ways to marketing their offers, called marketing mix. Kotler & Armstrong (2001) point out that all the company's marketing mix efforts must support the positioning strategy, which means that if the firm decides to build a position on better quality and service, it must deliver and communicate that position to target consumers. For a long time it was deemed the traditional marketing strategies are unfit to serve the BOP markets (C.K.Prahalad). It has been suggested that these traditional marketing strategies are too much focused on 'western' ideas and are not accounting for the uniqueness of the BOP market and its high diversity. In order to move away from the traditional thinking, Prahalad (2010) argues that reforms with innovative change in marketing strategies are needed. The marketing mix need to be redefined with new context and offered in a new notion.

Price equated to affordability

Traditional pricing strategies often follow a continuum with two opposite points: one being low margin and high volume, and the other being high margin and low volume. Between those points there are different pricing strategies that can be adopted by firms in order to differentiate themselves on the market (Thompson, 2012).

According to Prahalad (2010), firms have to change this traditional pricing strategy in order to succeed at the BOP market. They need to ensure that their products and services on offer are affordable to their target segment. The reason is that companies usually define the sales price based on the production costs, without mentioning the high margins expected. This method does not consider how much the BOP consumer can or is willing to pay for a certain product. Therefore, applying this traditional practice fail to offer affordable products to the BOP consumers. Products in this case are usually well above what the BOP consumer can pay for (Prahalad, 2010). However, some studies show that the BOP consumer does care about quality besides price (Barki & Parente, 2010). They do pay higher prices if they perceive a promise of inclusiveness with the product (Barki & Parente, 2010). Anderson (2006), in his study of Asian markets, also affirms that since BOP consumers have low disposable incomes, products may also need to match the cash flows of customers who frequently receive their income on a daily rather than weekly or monthly basis. The strategy of low priced micro-packs for daily necessities (that is lowering prices by reducing the size of the product package), even though this does not lower the price per use, it provides a way to meet the needs of the BOP segment in terms of low purchase price. Inspired by this marketing strategy, many of the telecom operators have successfully developed prepaid pricing plans that offer airtime in sachet-like packages, with prices that were broken down into much smaller denominations than had previously been available (Anderson, 2006). This is also the case of Unilever and Procter & Gamble selling for example small packets of shampoo and skin cream (Prahalad, 2010).Prahalad (2010) argues that a traditional mindset regarding pricing strategies should be changed and instead companies should focus on affordability. The core message of affordability is not finding any particular fixed price, but to be able to offer a product to the BOP segment that they can afford. It is about financial solutions, about adapting to their uneven income streams. Low price is important but it is not enough to meet the limited budget needs of the BOP because affordability goes beyond the number on the price tag (Prahalad, 2010).

Promotion as Awareness

Promotion traditionally involves using all the marketing tools, even marketing channels such as TV and Radio. These channels are thought to be cost effective and having a wider area of reach In the recent years, technology advances has enabled an increase in two-way communication channels, such as social media marketing, and could been seen as an evolution of the former one-way communication (Parment, 2008).Within the BOP market, the challenge of promotion is related to the difficulty in reaching the consumers due to high degree of illiteracy and their limited access to radio, TV and Internet (Chikweche & Fletcher, 2012). Anderson (2006, p. 6) argues that "engaging existing formal and informal community networks is an approach that has been successfully adopted by many innovative mobile providers". This mean that working with micro-entrepreneurs of the local area and involving representatives of the community to promote the company's offers have shown a positive impact on sales. Researchers of BOP markets stress that innovative and cost efficient promotion methods are necessary to communicate with potential consumers. The usage of social networks such as groups of women (Chikweche & Fletcher, 2012) for direct marketing such as demonstrating the product of a firm not only built awareness among potential consumers but also enable a channel of getting feedback from them. "The strength of using social networks to communicate with these consumers lies in the fact that these consumers rely on these networks for information about products and are likely to believe what they hear from their fellow members given the long lasting relationships based on trust which exist among these BOP consumers." (Chikweche & Fletcher, 2012, p. 515). This because BOP consumers have to survive in a hostile environment which led them to learn to help themselves (Barki & Parente, 2010). Therefore, the authors argue that communications efforts that enhance word of mouth and prioritize face-to-face contact have a higher potential to succeed in terms of increase in sales. Thus, BOP consumers prefer personalized relationships where they can trust on the information about the product that they buy.

Prahalad (2010) argue for the need for shift from promotion towards awareness. He states that the consumers need to be aware of new products and services that are being offered to them. What Prahalad (2010) means is that companies should find new ways to communicate with the BOP because the traditional channels, such as TV and Radio, are not applicable in the BOP markets due to problems with coverage, infrastructure as well as the one-way communication it stands for? Prahalad (2010) Chikweche & Fletcher (2012) and Barki & Parente (2010) talk about the importance of cost efficient and non-traditional channels, such as word of mouth and social networks in order to create awareness in this market.

Product being Access-able.

The product aspect represents how a company can decide to use their product lines, which often is connected to price as well. For example, different product lines can be introduced in order to serve different segments of the market or the company can focus on one high-end product line in order to focus more on its differentiation strategies expressing its high quality products (Parment, 2008). Chikweche & Fletcher (2012) argue that the development of offerings to the BOP segment should consider the degree of essentiality and potential added value to the consumers. They also argue that understanding the BOP segment's constraints, firms can enhance accessibility to products, which is in line with Prahalad (2010) who argues for a shift from a focus on product to access. Prahalad (2010) argues for the importance of access in the development of offers to the BOP market. By access Prahalad (2010) means that companies should develop products that acknowledge the BOP market constraints making it possible for those consumers to consume products that otherwise would be unavailable. Instead of product-focus, such as quality features, companies should work with access to the products that could be by improving features that deal with lack of resources that BOP markets present, such as water and electricity to name a few.

Place – exploring Availability of new distribution channels.

In marketing mix the decision of where a firm should sell its products is the question raised under the P of place. Place strategies can be classified as exclusive, selective, and intensive, which are connected to what kind of image a company wants to have. Exclusive means few places and selling only one brand. Selective is the middle way, where the products are sold at selected places that could be outside the company but with high collaboration between the two parties. Intensive strategy is just a matter of being visible and available everywhere and is most used by low-price/high-volume strategies (Parment, 2008).

The MNCs are assumed to be ‘too large, too rigid and too far from the consumer ’(Pitta et al., 2008). Marketers have to revisit distribution channels in order to increase the availability to the BOP segment. A poorly applicable distribution channel would decrease the availability, as the cost for the distribution system will have to be carried by the products. The BOP consumers have often been underserved or wrongly treated by commercial interest, so the distribution channels have to be both physically close as it has to be in the emotional proximity as well (Pitta et al., 2008). By emotional proximity Pitta et al. (2008) means that the seller should be considered trustworthy by the BOP consumers, which contribute to a positive effect on their self - esteem and well-being.

Instead of just thinking about places to sell, companies should think about new ways to reach the BOP consumers. Anderson (2006) points out that one of the biggest challenges of serving BOP markets is to ensure availability of products and services throughout the country, not just in cities, which is in line with Prahalad (2010). Since distribution channels in these markets can be fragmented or non-existent, delivering products and services to them is a hurdle to overcome. The partnership with non-traditional distribution channels, such as postal department, will be key to increase availability service among the BOP segment .Another challenge that requires innovation is related to the physical product distribution cost that should be minimized. Some authors (Barki & Parente, 2010; Prahalad, 2010) argue that the BOP consumer pays more for the same thing that richer people do. One reason for that is the longer distribution chain involving more actors to reach the areas that they usually live, which lead to aggregated margins, making the final price higher. So, building a relationship is of tantamount importance since markets sometimes do not exist, and the companies should see this strategy not as a market development one, but as a market creation one, with implies a different customer relationship management.

CONCLUSION:

- The Bottom of the pyramid is the most viable of the segment if tapped correctly.
- Innovation being the key. Simplistic approaches have equated BOP with the “sachet revolution”, the marketing approach to make them affordable to poor people.
- As the purchasing power of poor people is indeed very limited, smart designs to reach the poorest and most vulnerable groups would create the most effective strategies.

- New business models can energise the markets at the bottom of the pyramid to become attractive and viable. Usually, what is lacking is the critical mass in terms of market volume.
- The companies will really have to change their mindset and develop new sets of tools to work efficiently, but to fully understand BoP question

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A COMPARATIVE STUDY ON PERCEPTION OF OMANI CUSTOMERS AND EXPATRIATES ON BANKING SERVICES USING PZB'S SERVQUAL MODEL WITH REFERENCE TO BANK MUSCAT

Mallesh Tummala, Lecturer

Business Studies Department, Nizwa College of Technology, Nizwa, Sultanate of Oman.

ABSTRACT

The objective of this study is to evaluate the customer perception towards retail banking sector services in Sultanate of Oman. It is an exploratory study conducted to find out the most important factors that are affecting service quality and consumer perception of both Omani nationals and expatriates. A sample of 200 banking customers was drawn from bank Muscat in various branches of Nizwa city. The SERVQUAL model developed by Parasuram, Zeithmal and Berry, was used to develop the questionnaire and from the model all five dimensions (i.e. tangibility, responsibility, reliability, assurance and empathy) were used to elicit the information on customer perception on banking services. The study resulted in no perceptual differences among the Omanis and expats on banking services mostly, at the same time there are few differences of opinions among these two categories of customers. This study suggests that SERVQUAL is a suitable instrument for measuring service quality in the retail banking sector in Sultanate of Oman. Hence, banking industry practitioners, researcher scholars and students can consider this instrument as a tool to assess and improve the service quality.

Keywords: SERVQUAL, Service quality, Customer perception, Banking industry, Sultanate of Oman, Expatriates, Omanis, Nizwa, and Bank Muscat.

INTRODUCTION:

The banking industry is the blood vascular system of in an economy. It has a positive role to play in the economic development of the country as repositories of people's savings and purveyors of credit, especially as the success of economic development depends on the mobilization of resources and their investment in an appropriate manner. The banking sector is the backbone of any financial system of the economy. Commercial banks play an important role in the development of developing economies by mobilization of resources and their better allocation In the light of liberalization, privatization and globalization a lot of challenges were faced by the commercial banks. In the post-nationalization period, the proportions of rural areas in total number of bank branches as well as in credit deployment and deposit mobilization have been declined. On the other hand, the metropolitan areas registered a high increase in their percentage share in total expansion, credit deployment and deposit mobilization. Therefore, in the post nationalization era, the performance of the banking system with respect to branch expansion in the rural and till then unbanked areas, mobilization of deposits, deployment of credit, population coverage and so on has indeed been creditable and perhaps has no parallel in the annals of banking elsewhere.

Banking in Sultanate of Oman:

From just three registered banks with about as many branches in 1972 to 17 commercial banks in 2010, the banking sector in Oman has developed by leaps and bounds. The history and development of the banking sector in Oman has moved in tandem with the socio-economic development of the country. The last four decades has been witness to a phenomenal growth in the banking industry in Oman. The advent of the new era in Oman and the requirements of a new nation necessitated the involvement and cooperation of banks. In 1973, National Bank of Oman was founded as the first local bank in the country and three years later Commercial Bank of Oman was established. The seventies also saw the setting up of three specialized development banks: Oman Housing Bank, Development Bank of Oman, and Oman Bank for Agriculture and Fisheries. The last two banks merged to become the present Oman Development Bank. In 1994, Commercial Bank merged with Oman Banking Corporation, then with Oman Savings & Finance Bank and a year later with the Bank of Oman Bahrain and Kuwait. Commercial Bank was absorbed by Bank Muscat in 2000. The nineties also saw the setting up of Alliance Housing Bank - the first private sector housing bank in the GCC which has since become Ahli Bank - a full-fledged commercial bank. Two banks - Industrial Bank of Oman and Majan International Bank opened for business in the last decade. Industrial Bank was absorbed by Bank Muscat and Majan International Bank merged with Bank Dhofar Al Omani Al Fransi - now Bank Dhofar. The last new bank to debut in Oman after a gap of eleven years was Bank Sohar in 2007.

OBJECTIVES OF THE STUDY:

1. To study the customer perception on banking services of Bank Muscat by Omani customers and expatriate customers
2. To analyze the perceptions of Omani customers and expatriates customer towards Bank Muscat services.
3. To suggest the measures to improve the service at bank Muscat.

REVIEW OF LITERATURE:

1. Eminbabakus et al. (2003) examined the conceptualization of Management Commitment to Service Quality (MCSQ). The best indicator of MCSQ is empowerment, followed by rewards and training. The training, empowerment and rewards jointly affect the Service Recovery Performance through the mediating roles of employees' job satisfaction and affective organization commitment. The MCSQ exerts a stronger influence on the Service Recovery Performance through affective organisation commitment than through employees' satisfaction.

2. Nazrul Islam and Egaz Ahmed (2005) found that the first estimated service quality factor in banks is the performing promises by the employees followed by the personal attention and tangible physical facilities. There is a relationship between the perceived service quality factors and the overall quality of the bank. There are significant differences between the service quality of the public and the private banks. The differences are found in physical facilities, appearance of bank employees, services, willingness to help the clients, courteous to the clients and working hours of the bank.

3. Oliver Nerurkar (2000) found that the consumers assigned lower weights to tangibles as compared to reliability, responsiveness and assurance. The weightage given on the service quality of the commercial banks is reliability. But in the case of insurance, consumers did not distinguish among the five service dimensions in terms of their importance. In the hotel industry, it was found that consumers assigned to reliability a significantly higher weight than assurance and empathy.

4. Mushtag A. Bhat (2005) identified that the poor service quality among the Indian banks is mostly because of deficiency in tangibility and responsiveness. The service quality of Indian banks are perceived different according to the income, age and region of the customers. The banks provide comparatively better service quality to business group customers in comparison to service group customers as they are comparatively small in number with comparatively high level of income as against to service group customers. Different education levels, however do not exhibit greater variation in service quality.

5. Sanjay and Garima Gupta (2004) found that while the SERVPERF scale is more convergent and discriminant valid explanation of the service construct, possesses greater power to explain variations in the overall service quality scores, and is also a more parsimonious data collection instrument. It is the SERVQUAL scale which entails superior diagnostic power to pinpoint areas for managerial intervention.

6. Robert Johnson (1995) identified important determinants of service quality in commercial banks. These are integrity, commitment, aesthetics and cleanliness. For the personal customers of bank, the main sources of satisfaction are attentiveness, responsiveness, care and friendliness whereas the sources of dissatisfaction are integrity, reliability, responsiveness, availability and functionality.

METHODOLOGY:

It is an exploratory study conducted to understand the perceptions of Omani customers and expat customers of Bank Muscat. A Non probability sampling is considered for the present study in which convenient sampling method was initiated. Sample size of 200 customers of Bank Muscat was considered for collecting the data. Survey method has been adopted by using a structured undisguised questionnaire as an instrument for collecting the information from respondents; The questionnaire developed for this study was based on a SERVQUAL model that identified the influence of five dimensions (i.e. tangibility, responsibility, reliability, assurance and empathy) in banking service environments on customer satisfaction with the help of five point Likert scale ranging from strongly disagree to strongly agree.

Analysis:

In the present study the independent t-test is used to identify the significance difference between the means of Omani customer and expats as the independent t-test is an inferential statistical test that determines whether there is a statistically significant difference between the two means groups. The total of 200 sample size was taken to conduct the study which consists of 100 Omani customers and 100 expatriate customers of Bank Muscat

Hypothesis testing:

H0 1: There is no significant difference between perception on ‘Reliability’of Omani customers and expatriates on services of Bank Muscat.

Table 1.1 t-Test: Two-Sample Assuming Unequal Variances on Reliability

	Omanis	Expats
Mean	3.648	3.338
Variance	0.675652525	1.37510707
Observations	100	100
df	177	
t Stat	2.1647329	
P(T<=t) two-tail	0.031747281	

The table 1.1 shows that the mean values of reliability aspect perceived by the Omani customers and expatriates. The mean value of Omanis is 3.648 and expats is 3.338 and the calculate P value is 0.032 which is less than the significant value 0.05. Hence,the null hypothesis (H01) is rejected and we can conclude that there is a significant difference between the perception on 'Reliability' of Omani customers and expat customers on the services provided by the Bank Muscat.

H0 2: There is no significant difference between perception on 'Tangibility' of Omani customers and expatriates on services of Bank Muscat.

Table 1.2t-Test: Two-Sample Assuming Unequal Variances on Tangibility

	Omanis	Expats
Mean	3.83	3.93
Variance	0.508686869	0.419292929
Observations	100	100
df	196	
t Stat	-1.0380798	
P(T<=t) two-tail	0.300511848	

The table 1.2exhibits that the mean values of 'Tangibility' on services perceived by the Omani customers and expatriates. As the tangibles in the banks are clearly seen by all the customers equally the perceptions are revealed as under- The mean value of Omanis is 3.83 and expats is 3.93 and the calculate P value is 0.30and is more than the significant value 0.05. Hence, the null hypothesis (H03) is accepted and we can conclude that there is no significant difference between the perception on 'Tangibility' of Omani customers and expat customers on the services provided by the Bank Muscat.

H0 3: There is no significant difference between perception on 'Empathy' of Omani customers and expatriates on services of Bank Muscat.

Table 1.3t-Test: Two-Sample Assuming Unequal Variances on Empathy

	Omanis	Expats
Mean	3.728	3.236
Variance	0.830319192	1.058084848
Observations	100	100
df	195	
t Stat	3.580285357	
P(T<=t) two-tail	0.000433236	

The table 1.3 discloses that the mean values of ‘Empathy’ on services perceived by the Omani customers and expatriates. As the empathy plays an important role in customer perception of any service to be rendered to the customers, this investigation revealed the facts as under - The mean value of Omanis is 3.72 and expats is 3.23 and the calculate P value is 0.00043 and is much less than the significant value 0.05. Hence, the null hypothesis (H04) is rejected and we can conclude that there is a significant difference between the perception on ‘Empathy’ of Omani customers and expat customers on the services provided by the Bank Muscat.

H0 4: There is no significant difference between perception on ‘Tangibility’ of Omani customers and expatriates on services of Bank Muscat.

Table 1.4t-Test: Two-Sample Assuming Unequal Variances on Tangibility

	Omanis	Expats
Mean	3.545	3.315
Variance	1.049722	1.108106
Observations	100	100
df	198	
t Stat	1.565739	
P(T<=t) two-tail	0.119007	

The table 1.4 reveals that the mean values of ‘Responsiveness’ on services perceived by the Omani customers and expatriates. The mean value of Omanis is 3.545 and expats is 3.315 and the calculate P value is 0.11 which is more than the significant value 0.05. Hence, the null hypothesis (H05) is retained or accepted and we can conclude that there is no significant difference between the perception on ‘Responsiveness’ of Omani customers and expat customers on the services provided by the Bank Muscat.

FINDINGS:

1. It has been observed that there is no much difference in the perception on the ‘Assurance’, ‘Tangibility’, and ‘Responsiveness’ aspects of the Muscat bank by both Omani customers as well as expatriates. Most of them have agreed on the statements asked about Bank Muscat in providing various services promptly to the customers.
2. It was also found that the difference in the perceptions among the Omani customers and expatriates. With regard to ‘Reliability’ and ‘Empathy’, the expat respondents not much agreed upon and rated the statements as disagreed and the same statements were agreed mostly by the Omani customers.

Suggestions:

1. It is suggested to the Bank Muscat that not to shoe any difference between local Omani customers and expatriates on being reliable towards the expatriates since most of the bank account are also equally held by the expat customers.
2. It is also suggested to the bank that 'Empathy' is one of the major concerns in the banking service sector. Moreover is it much required for the people who have come from different countries on a work permit, expats are also major stakeholder for the banks as their transaction on fund transfer, salaries etc. are done through only banks.

CONCLUSION:

This is an exploratory study to find the factors contributing to customer satisfaction in retail banking. Through this paper the author made an attempt to understand the concept of customer perception in Oman retail banking and to explore the factors which might affect customer perception. In my view, this study is the first attempt to understand the concept of customer perception with regard to services and the factors affecting customer perception in the Oman retail banking through a qualitative approach.The major findings of the study show that customer perception regarding banking service is primarily influenced by different factors–employee responsiveness, appearance of tangibles, empathy towards customers and reliability of services offered and assurance given by employees to customers. The hypothesis testing using t-test has found that there is difference in the aspects of reliability and empathy towards Omani customers and expats whereas, the customer service with regard to assurance, tangibility and responsiveness is same among both Omani and expat customers. If the requirements and the expectations of the expat customers are known clearly, then the Omani retail banks would be able to provide better customer service on all dimensions to both expats and Omani customers. This also necessitates the understanding of the factors contributing to customer perception and bridges the service gaps. It is expected that this study would help to understand customer satisfaction in Oman's retail banking better.

SCOPE FOR FURTHER RESEARCH:

This particular study can be conducted for the entire branch operations of Bank Muscat and other banks which are operating in Oman. The study can also be conducted by taking two different banks i.e. Public sector and private sector banks in Oman to compare their performance and identify the gaps.

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EMPLOYEE'S ROLE IN SIX SIGMA IMPLEMENTATION SUCCESS

M.Sailaja, Lecturer
Loyola Degree & PG College, Alwal, Secunderabad.

ABSTRACT:
Many organizations deploying Six Sigma eventually hit what we refer to as the performance measurement wall. These organizations begin with the right intentions; however the bottom-line results from their Six Sigma initiatives are often illusionary. One of the major reasons for this is a lack of a well-structured Business Improvement Strategy on the front end of the deployment process. The Business Improvement Strategy drives the organization to focus on the most important improvement initiatives, and deploy of the right resources, tools and methodologies to the highest impact opportunities. The right performance metrics are also a by-product of this well-structured and well-thought out process. We see the sheer terminology of Six Sigma engulfing most organizations and confusing them at the same time about where to begin or what to do next. Six Sigma is nothing more than enabler of strategic improvement success – The means, not the ends. When in doubt about performance measurement, the best option is to return to the basics of what we are trying to master as organizations. Human Resource being a epicenter and contributing more for success of all departments and programs in the organization .Lets we check the role of HR in this new quality initiation in the organization with the help of HR Planning, vision, mission and training to employees etc.

Keywords: HRD, Quality initiation, Appraisal, Performance, Strategy,Vision.

INTRODUCTION:
Amongst the different roles HR function performs, developmental role of HR (education and training) is found to be a major challenge in managing human capital (Lange, 2003). Training is one of the ways of building and nurturing human competence that would be enabler in achieving organizational objectives. This function can be directly linked with strategic orientation of the firm (Garavan et al., 1999). By performing the developmental function with strategic orientation HRD contribute to the organization's service, quality and productivity objective (Geber, 1995; Fitz-en and Phillips, 2004). In spite of the strategic importance of HR function, HR professionals in general are more frequently expected to justify their contributions to their employer and to account for their existence (Fitz-enz, 1984; Gow, 1985; Sheppeck and Cohen, 1985, Fitz-enz

and Philips, 2004). This paper attempts to highlight the strategic significance of HR function and critical issue of measurement of the contribution that the HR function makes with specific reference to training. After reviewing the of effectiveness and efficiency measurement models of HR the paper explores the applicability of Six Sigma approach in this context. It presents a detailed case study of implementation of Six Sigma approach in the training function at a multinational bank in India.

NEED FOR THE STUDY

Six Sigma aims for scientifically measuring the selected function through rigorous measurement, and has soft processes, like team thinking, brainstorming etc. built into it. The new metrics like HR scorecard or dashboard concept (Beatty et al., 2003) are also a part of this process. Further, it plugs the lacunae of measurement effectiveness, which was found to be a major drawback with existing HR related metrics (Beatty et al., 2003). Six Sigma not only informs current efficiency and effectiveness of the process but also pivots the process towards organizational strategy synchronization. The current study describes the key tools used for its implementation in HR function. It is aimed to examine the utility of Six Sigma interventions as a performance measure and discusses its application for making the training delivery operationally efficient and strategically effective. This research highlights a success story of Six Sigma intervention in training function. In the paper special emphasis is laid on Six Sigma green belt projects under taken up in multinational service organizations to clarify the process of Six Sigma implementation.

RESEARCH METHODOLOGY.

Data collection made through electronically (Through E-mails) by a short questionnaire. After collecting the primary data, the interpretation done by using SPSS 18.0, relevant statistical tools are used to check the efficiency of the results.

Period of the study.

The study conducted in December 14 –February 15 at six-sigma completed/ implemented organizations in Hyderabad city.

Sample &Sample size:

Sample Respondents are the belt holders (black belt, Green belt, Yellow belt) in six sigma form various service industries in Hyderabad & Secundrabad city. Questionnaires distributed 65(50 Received) for above said respondents with in time period of 60 days.

Why HR Too Important for Six sigma Success?

HR professionals can help the Six Sigma Leader find the right people for Black Belt roles and ensure they remain in those positions for the typical two-year rotation. Potential HR contributions in this area include:

- Building a competency model that will help identify candidates with the right mix of technical, team, and leadership skills and abilities.
- Creating job descriptions that help candidates fully understand the position and expectations prior to signing on.
- Developing a retention strategy that will help ensure Black Belts complete their rotation and the organization recoups its investment in training and development.

Reward and Recognition.

Rewarding and recognizing Black Belts and Six Sigma teams is more complex than it may appear. Black Belts join the Six Sigma initiative from various places in the organization where they are likely to have been at different job levels with differing compensation arrangements. Determining whether and how to make appropriate adjustments in level and compensation now that all these individuals are in the same role is both tricky and critical. HR professionals can help the Six Sigma Leader tackle the challenge of establishing the right rewards/recognition. Potential HR contributions in this area include:

- Analysing existing compensation arrangements to identify the extent to which those arrangements will support the Six Sigma initiative.

Project Team Effectiveness

The work of Six Sigma is done mostly at the project team level by a Black Belt leading a small team through the steps of the DMAIC method. If the team itself does not function well or does not interact effectively with others in the organization who ultimately have to support and carry out the process changes, the project probably will not be successful. Given the typical project's potential payback, failure can be expensive.HR professionals can help the project teams work together more effectively.

Creating six sigma Culture.

Many Sponsors, Champions, and Leaders look to Six Sigma as a way to change an organization's culture to one that is more data-driven, proactive, decisive, and customer-oriented. But they often have little idea about how to achieve successful culture change. HR professionals can help executives approach culture change in a way that addresses the underlying business goals without creating organizational resistance. Potential HR contributions in this area include:

- Working with Six Sigma Sponsors, Leaders, and Champions to identify elements of the culture that might hinder the achievement of Six Sigma goals.
- Advising on change plans that will target those specific cultural elements.
- Identifying how Six Sigma can be rolled out in a way that works with, rather than against, the current culture.

Being Included in Six Sigma

Just because HR professionals can play a role in the success of Six Sigma, it doesn't automatically follow that they will be asked to participate. Unless you are in an organization that views HR as a partner in all business initiatives, you may have to push to be included in Six Sigma.

HR can greatly increase its chances of being included in the Six Sigma initiative by:

- Ensuring HR professionals have the right skills and knowledge.
- Marketing its potential contribution early in the initiative.

Gaining the right Skills and Knowledge.

In addition to HR/organizational development-related areas, HR professionals need a familiarity with Six Sigma itself. Without a basic knowledge of the DMAIC method, supporting tools, roles, jargon, and even simple statistical methods, HR will not have the credibility it needs to be considered a potential contributor to the initiative. The time to get this knowledge is now. Even if your organization is not rolling out--or even considering -- Six Sigma today, there are two reasons why it's worth a HR professional's time to become familiar with the concepts now. If the organization does decide to implement Six Sigma, there won't be enough time to catch up. HR has to be involved at the very beginning of the initiative. In addition, there are many applications of Six Sigma to HR's processes themselves.

Study Statistical analysis:

1) Design of Strong vision and mission for quality (VsnMs)

Test Statistics

	VSnMS
Chi-Square	18.960a
df	3
Asymp. Sig.	17.00

Inference: The obtain chi-square value is equals 18.960 at 3 degrees of freedom, the significance value is grater than 0.05suggest that there is no significant importance for vision and mission for HR success tool in six sigma

2) HR Planning for quality initiation (HRP)

Test Statistics

	HRP
Chi-Square	9.160a
df	2
Asymp. Sig.	.010

Inference: The obtain chi-square value is equals 9.160 at 2 degrees of freedom, the significance value is less than 0.05suggest that there is significant importance HR is responsible for effective Human resource planning.

3) Need of training for new six sigma team (Trng.)

Test Statistics

	Trng.
Chi-Square	5.200a
df	3
Asymp. Sig.	.048

Inference: The obtain chi-square value is equals 5.200 at 4 degrees of freedom, the significance value is less than 0.05suggest that there is significant importance HR is responsible for effective training for six sigma team.

4) Performance appraisal for quality team (PA)

Test Statistics

	PA
Chi-Square	11.120a
df	3
Asymp. Sig.	.011

Inference: The obtain chi-square value is equals 11.120at 3 degrees of freedom, the significance value is less than 0.05suggest that there is significant importance HR is responsible for effective performance appraisal for six sigma employees.

Regression

Variables Entered/Removed

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.341a	.116	.016	.712

a. Predictors: (Constant), Grevnc., PA, Compn., VSnMS, Trng.

ANOVA[b]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.928	5	.586	1.156	.046a
Residual	22.292	44	.507		
Total	25.220	49			

a. Predictors: (Constant), Grevnc., PA, Compn., VSnMS, Trng.

b. Dependent Variable: HRP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.178	.564	2.087	.043	
	VSnMS	-.205	.116	-.289	-1.772	.083
	Trng.	.049	.116	.069	.421	.676
	PA	.097	.119	.123	.816	.419
	Compn.	-.142	.108	.199	1.315	.195
	Grevnc.	.056	.087	.092	.646	.521

a. Dependent Variable: HRP

HR Role=1.178-0.205(Vision & Mission)+.049(Training)+ .097(Performance Appraisal)-.142 (compensation)+0.056(Grievance)

Before we look at the equation however we need to look at the statistical significance of there model and the R2 value the analysis of variance (ANOVA) table which are given above the last column indicate0.046 the model is statically significant that 96% confidence level.

However time being, we shall use this model as it is and try to apply for decision making to predict that the HR role in success of six sigma.

The above equation indicate that HR role in success of six sigma is better training methods and good appraisal methods and effective Grievance handling mechanism provided by HR department then the organization became a successful quality initiator in their organization at the same time vision and mission and compensation management have negative impact where HR not suppose to take care of these thing while in their success.

Discussion of Results:

- Strong Vision and Mission for quality initiation is recommended my most of the respondents Because they want strong base for new quality introduction in the organization.
- Effective Human Resource planning is required in the form of intellectual assets for any organization same suggested by experts in the above said survey.
- Training needs for quality implementation teams are highly recommended where new methods and procedures to be learnt by senior experts in relevant fields.
- Performance Appraisal for quality force recommended as great motivation for them to show miracles in their newly assigned job.
- Compensation management is not at all influencing factor for the employees while they are in quality teams they treat themselves as a regular employees rather than special packages to them and the assigned job is daily routine task to them.
- Grievance handling should be strictly recommended among teams and team members while six sigma process is in progress.

CONCLUSION:

HR has a substantial role to play in the success of a Six Sigma initiative. But it will have the opportunity to contribute only if its professionals have the right skills and knowledge and are able to show Six Sigma executives the value they can add. Gain those skills now and make sure senior leadership knows how HR can help support the success of the initiative. Only then will they realize they just can't do it without HR. The deployment of Six Sigma in HR processes confirmed what we have already seen in the last 6 years of implementation of Six Sigma in various manufacturing and service industries the strengths and simplicity of the methodology, and enormous benefits for all business stakeholders, from suppliers, employees, management to customers and shareholders. Leadership is one of the keys to successful implementation of Six Sigma, a holistic, long-term continuous improvement system, and the quality of leadership will have a profound effect on the level of achieved results. Excellence is achieved by getting the right people to want to do the right things in the right way.

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A STUDY ON CUSTOMER SATISFACTION AND SERVICE GAPS IN SELECT PUBLIC AND PRIVATE BANKS

Dr. P. Yadaiah, UGC-PDF (Post Doctorial Fellow)
Department of Business Management,
Osmania University, Hyderabad.

ABSTRACT
This paper examines the salient features of service quality, GAPS Model, SERVQUAL. Each model represents a different approach to quality improvement. The primary aims are to enhance understanding of "service quality" and to identify models that managers in the service industry can employ to improve quality. Also will examine the applicability of alternative measures of service quality in the developing economy of India and assesses related issues in that context.

INTRODUCTION
Today, banking is also seen as a business related to information on financial transactions, since Information Technology (IT) has been pivotal to effective customer service at lower costs. For example, IT-based services such as automated teller machines (ATM), electronic fund transfer, anywhere-anytime banking, smart cards, net banking, etc. are now very common to Indian customers. However, the diffusion of technology is somewhat slow in public sector banks when compared to private sector banks and foreign banks (Banker, 1998). In the case of private sector banks, bank automation has been far easier as their size is small and they also started their operations afresh. The private banks do already have the advantage of good automation experience in several banking applications, yet their transactions are confined to a few major cities in India.

OBJECTIVES OF THE STUDY
The objectives of the present study are enumerated as below:

1. To understand and analyze the dimensions of the awareness and satisfaction level of customers with regard to the services provided by the selected branches of the three of the three major banking segments i.e., public and private banks,
2. To identify and differentiate the best banking sector among the above cited three banks in terms of customer satisfaction,
3. To ascertain the relevant dimensions of service quality in banks, and,
4. To offer suggestions, if needed, based on the analytical results of the current study.

Keeping in view the above objectives, the present study seeks to test the null hypothesis that there is no significant difference in service quality and customer satisfaction among public and private banks.

Measurement of Expectation and Perception of Service Quality:

There are many reasons for poor service quality across industries. One reason may be an inability to collect or use collected data. For example, in direct opposition to consumer opinion, bank executives perceive themselves and their companies to be doing an excellent job. This apparent discrepancy of opinion creates questions about banking service information-gathering effectiveness. Because perceived quality is conceptualized as the customer's overall attitude towards the excellence of service, many researchers have relied on a single overall quality question, measured on a scale ranging from poor to excellent (Rust and Oliver, 1994). More generally, however, service quality perception is thought to be based on several quality attributes (Gronroos, 1990). Parasuraman et al. (1985, 1988) and Zeithaml et al. (1990) developed a multi-item scale (SERVQUAL) where they have integrated the most important of the criteria contributing to the formation of customer perceptions of service and which signal quality to the customer. These are: reliability - reflecting the technical quality of the outcome of the service encounter, i.e. what is received by the customer; and tangibles, responsiveness, assurance and empathy - reflecting the functional quality of the process itself, i.e. how the service is provided. Quantification is obtained by measuring expectations and perceptions of performance for each one of these dimensions (Cronin and Taylor, 1992; Parasuraman et al., 1988; 1991; Zeithaml et al., 1990). SERVQUAL was deemed "to be applicable to retail and business services and relevant for banking services".

RESEARCH METHODOLOGY:

The SERVQUAL measuring instrument developed by Parsuraman et al. (1988) was adapted and used for the present study.

The present study has been conducted in the state of Telangana and Andhra Pradesh. The study limited to five banks in Telangana and Andhra Pradesh, namely, State Bank of India (SBI) and Andhra Bank (AB) in public sector banks, ICICI Bank & Axis Bank in the private sector banks and Citi bank. A sample of 440 banking customers (220 customers from public, 220 customers from private banks) were taken on judgmental basis and 300 useable questionnaires were analyzed. And those 300 responses we collected 150 from public sector, 150 from private sectors banks. The parameters of service quality were identified after analyzing the extensive literature review of the related work done in the past.

The parameters identified are:-

1. Tangibility
2. Assurance
3. Reliability
4. Responsiveness
5. Empathy

Questionnaires were personally delivered by hand at workplaces and homes, which was used as a method for data collection. The respondents were required to record their perceptions and expectations of the service of the respective bank groups. Five point Likert- Scale was used for this measurement.

In case of banking services, the varied service products being offered and their interface with the information technology like banking on internet, electronic delivery channels, etc. help the banks in seizing the market and be the ultimate winners. This also forms an important aspect of service quality. Despite this understanding, conceptualization and measurement of service quality have been the most controversial and debated topics in service marketing literature. There has been considerable research as to how service quality should be measured (Babakus & Boller, 1992).

Demographic Profile of Bank Customers	Percentage
1. Gender	
Male	60
Female	40
2. Marital status	
Married	51
Unmarried	49
3. Monthly family income	
Less than Rs.10, 000	20
10,000-20,000	28
20,000-30,000	27
30,000-40,000	16.2
More than 40,000	8.8
4. Age	

Less than 25	32
25-35	27
35-45	23
45-55	11
More than 55	7
5. Education	
Secondary	1.3
Higher secondary	2.7
Under graduate	3.4
Graduate	40.9
Post graduate	51.7
6. Occupation	
Home maker	4.9
Service	45.6
Self employed	25.2
Retired	1.6
Students	22.7

GAP Score

Table-1: Service Quality Gaps in Banks (on 5- point Likert-scale)

Banks	Dimensions of service quality					Overall quality
	Tangibility	Reliability	Responsi-veness	Assurance	Empathy	
SBI	-3.40	-2..30	-1.95	-1.45	-1.92	-10.75
Andhra Bank	-2.25	-1.06	-1.82	-1.46	-1.98	-8.57
ICICI Bank	-0.95	-1.55	-0.85	-1.12	-1.20	-5.67
Axis Bank	-0.85	-0.95	-1.16	-1.14	-1.70	-5.80
Citi Bank	-0.45	-0.65	-0.35	-0.43	-0.73	-2.61

In the present study, the main focus of analysis is on customer expectations and perceptions in relation to the pure components of service quality viz; tangibles, reliability, responsiveness, assurance, & empathy. Expectations and perceptions were measured on a seven point scale. The mean of difference between customer expectations and customer perceptions were calculated separately for all the banks under study. To measure the service quality of the banks, the mean of SERVQUAL scores on all dimensions was computed separately for each bank and is presented in Table-1.It is evident from the data that the service quality of the Citi bank is high whereas the service quality of public sector banks (SBI followed by Andhra Bank) is comparatively low. Private sector banks (ICICI, Axis) service quality is between the two extremes. The results also make it explicit that all banks fall below the expectations of their respective customers because their scores are in negative. However, private banks are relatively close to the expectations of their customers in comparison with public sector banks since their overall service quality score is - 2.61.Dimensions-wise analysis reveals that service quality of SBI is comparatively poor on tangibility and responsiveness(ranked 5th) ,followed by other dimensions of service quality (ranked 4th).The position of Andhra Bank is slightly better. Its scores is lowest on assurance and empathy followed by tangibility and responsiveness whereas it is ranked 3rd on reliability. ICICI bank is ranked second overall, followed by Axis in a close third position.

Suggestions

The nature and frequency of studies in India concerning service quality or customer service in banks is limited. The studies which have been undertaken found that service quality in public sector banks in India is poor. The present study revealed that poor service quality in public sector banks is mainly because of deficiency in tangibility, lack of responsiveness and empathy. But on these five dimensions, private sector banks reformed better than the public sector banks. As expectations of customers have not been fully met, there is a lot of scope for improvement on service quality.

Delivering high service quality is one of the best ways for banks to respond to competition. Reliable and valid measures of customer service quality are essential to achieve, and as a result service quality programmes should become high priority of the banks. Expenditure on such programmes should be viewed as long-term investment for future growth and profitability. It is, therefore, suggested that banks should make investment in research in order to understand customer needs and expectations at all stages in the service delivery process sot as to determine the key components of service quality.

CONCLUSION:

The present study has critically examined the service-quality issues (from the perspective of customers) with respect to a developing economy - India. From the customer perceptions of service quality the technological factors (core service and systematization of the service delivery) appear to contribute more in differentiating the three sectors while the people-oriented factor (human element of service delivery) appears to contribute less to the discrimination. The results of the present study also indicated that private banks seem to be performing well followed by public sector banks. Thus, the study has established that the technological factors seem to be the differentiating factor among the three groups of banks as far as customer perceptions of service quality are concerned. The finding of the present study highlights the unstable nature of these facets in developing economies, which may not be true in developed economies. Therefore there is a need to duplicate this study in developed economics as well. The findings of the present study have some important managerial implications. It is suggested that the management of the banks should pay attention to potential failure points of the customer retention programs and that they should be responsive to customer problems. Last but not the least; the banks should put sincere efforts to match the expected service quality to the offered service quality so that commitment and loyalty of the customers can be achieved.

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GST A KEY TAX REFORM IN INDIA - AN OVERVIEW

DR. P. SRINIVAS REDDY, Assistant professor
Nizam College,
Bhasheerbagh, Hyderabad.

ABSTRACT

GST is one of the most crucial tax reforms in India which has been long pending. It is supposed to be implemented from April 2010, but due to few technical problems and conflicting interests of various stakeholders now Government has taken steps to implement GST in India. It is a comprehensive tax system that will subsume all indirect taxes of states and central governments and unified economy into a seamless national market. It is expected to iron out wrinkles of existing indirect tax system and play a vital role in growth of India. This paper presents an overview of GST concept, explains its features along with its timeline of implementation in India. The paper is more focused on the advantages of GST and challenges faced by India in execution

KEY WORDS: Goods and services Tax, unified economy, comprehensive tax system

INTRODUCTION

The proposed GST is likely to change the whole scenario of current indirect tax system. It is considered as biggest tax reform since 1947. Currently, in India complicated indirect tax system is followed with imbrications of taxes imposed by union and states separately GST will unify all the indirect taxes under one roof and will create a smooth national market. Experts say that GST will help the economy to grow in more efficient manner by improving the tax collection as it will disrupt all the tax barriers between states and integrate country via single tax rate. GST was first introduced by France in 1954 and now it is followed by 140 countries. Most of the countries followed unified GST. In India also dual system of GST is proposed including CGST and SGST. GST is an indirect tax which will subsume almost all the indirect taxes of central government and states governments into a unified tax . As the name suggests it will be levied on both goods and services at all the stages of value addition. It has dual model including central goods and service tax (CGST) and states goods and service tax (SGST). CGST will subsume central indirect taxes like central excise duty, central sales tax, service tax, special additional duty on customs, counter veiling duties

whereas indirect taxes of state governments like state vat, purchase tax, luxury tax, octroi, tax on lottery and gambling will be replaced by SGST. Integrated goods and service tax (IGST) also called interstate goods and service tax is also a component of GST. It is not an additional tax but it is a system to examine the interstate transactions of goods and services and to further assure that the tax should be received by the importer state as
GST is a destination based tax

GST APPLICABLE ON 'SUPPLY'

In GST regime, all 'supply' such as sale, transfer, barter, lease, import of services etc of goods and/ or services made for a consideration will attract CGST (to be levied by Centre) and SGST (to be levied by State). As GST will be applicable on 'supply' the erstwhile taxable events such as 'manufacture', 'sale', 'provision of services' etc. will lose their relevance. Further, certain supplies, even if made without consideration, such as permanent transfer of business assets, self-supply of goods or services, assets retained after deregistration etc will attract GST. Interestingly, even a 'barter' of goods transaction which was hitherto un-taxed in VAT regime, will attract GST.

ANALYSIS OF FOUR REPORTS ON GST PROCESSES

1. Report on returns in GST regime

Every registered assessee will be required to file returns (including NIL returns). However, persons exclusively dealing in exempted / Nin-rated or non-GST goods or services would neither obtain registration nor file returns.

2. Report on GST Registration

This report provides that the taxable person in the GST regime will be required to take State specific single registration for Central GST (CGST), Integrated GST (IGST) and State GST (SGST) purposes (multiple registrations in a State for business verticals would also be permitted) . In GST regime the registration number would be a PAN based 15 digit alpha numeric registration numbers. Registration would be granted through common GST portal. Applicant will be required to apply online and within three working days the State and Centre should raise query or reject the application. However, in case any of the authority neither rejects the application nor raises a query during this period, then the registration would be deemed to have been approved by both the authorities and the GST Common Portal will automatically generate the registration certificate.

3. Report on GST Payments

This report provides that the taxable person will be required to make payment of CGST, SGST, IGST and Additional Tax through internet banking. Over the counter

(OTC) payment could be permissible only for payments up to Rs. 10,000/- per challan. For making e-payment of GST taxpayer will be required to access Goods and Services Tax Network (GSTN) for generation of the Challan where basic details (such as name, address, email, mobile number and GST registration number) of the tax payer will be auto populated in the challan. Once the taxpayer chooses a particular bank for payment of taxes, GSTN will direct him to the website of the selected bank wherein taxpayer will make the payment using the USER ID and Password provided by the bank to enter into the secured e- banking area of his bank. In the challan the taxpayer will have to use separate accounting codes for making payment of CGST, SGST, IGST or Additional Tax. Further, accounting codes will also be provided for interest, penalty, fees or others payments. Interestingly, it is specifically provided that the payment of GST could be made by tax payer himself or by his Authorised representative on his behalf

4. Report on GST refunds

This report provides that in ten situations such as exports, excess payment by mistake, refund of pre-deposit, refund to international tourists etc wherein the taxpayer can claim refund of GST paid. For export of goods, the report suggests that the exporter should procure the goods on payment of appropriate GST and then claim refund of the same from respective Governments. It is also recommended that the option to procure duty free inputs for exported goods should not be available in the GST regime. As regards, deemed exports, the report suggests that deemed exports should be treated at par with exports. The report also suggests that refund form should be electronic format and refunds should be granted in a time bound manner and delay in processing of refund should enable assessee claim refund for such delay. One of the MOST important step for introduction of Goods and Service Tax (GST) i.e. the 122nd Constitutional Amendment Bill (CAB) for introduction of GST is taken up for discussion in Lok Sabha on 24.02.2015. In the past, to amend the Constitution, 115th CAB was introduced by the UPA Government in March 2011. However, this 115th CAB lapsed. The rationale for introduction of CAB is that, currently, the Constitution of India does not provide for a parallel levy of indirect taxes by Centre and State which is a pre-requisite for GST. To address this, CAB was introduced in Lok Sabha. The CAB is a starter for the approaching GST regime.

FIVE STEPS TO BE GST READY

Though, the Government was able to pass the 122nd Constitutional Amendment Bill, 2014 (GST Bill) in Lok Sabha, which will eventually pave the way for Goods and Services Tax (GST) in India, currently the GST Bill is awaiting passage in Rajya Sabha. However, the Government's determination to introduce GST is palpable from the fact that in the month of October 2015, the Government has placed in the public domain four reports on key business processes i.e. registration, payment, refunds and returns in GST regime. From these four reports one can fairly gauge the a broad structure and process in GST regime. Given the aforesaid, it's imperative for the business organisations to gear up (well in advance!) for this biggest tax reform since independence. In the following paras, the author discusses on the possible steps which an organisation could take to be GST Ready.

1. Sensitise the business eco-system

It is an accepted fact that GST is not merely a tax change but a business change as it will impact all functions of an organisation such as finance, product pricing, supply chain, information technology, contracts, commercials etc. Thus, it's imperative that all these functional teams should be aware about the GST.

2. Understand GST Impact on operations

GST may provide opportunities but at the same time it could bring threats. Given this, an organisation may consider carrying out an exercise to identify how its operations will get impacted because of GST. For GST Impact Analysis exercise, the respective department heads such as finance, supply chain, product pricing, human resource etc should be involved to ensure that they provide their inputs and suggestions.
Going one step forward, organisations can also identify possible cost savings which key suppliers / vendors could be entitled to in the proposed GST regime. Based on the possible cost savings to suppliers / vendors, the organisations can have discussion with its vendors for passing of benefits by way of cost reduction in the coming years (i.e. after GST is introduced). Early discussion and engaging with vendors for GST will ensure maximum possible benefit to be passed on to the organisation. Organisations will also have to take into consideration the increase (most likely!) or decrease (least likely!) in tax compliances. For most of the organisations, in GST regime, compliances are expected to increase dramatically. Take example of a service tax assessee, who currently files 2 returns on an annual basis. Now, in GST regime, Service tax assessee could be required to file as many as 61 returns (5 returns per month plus 1annual return)!!! Thus, in human resource department will have to be informed about the GST regime so that they can anticipate the increase (and decrease in certain cases) in the manpower.

3. Gear up for transition of Information Technology (IT) systems

Information Technology is a key area for business organisations as irrespective of the fact whether the organisation is ready or not, on the very first day GST is introduced, the information technology system of an organisation has to be ready and running else it will bring the entire business to standstill. Take example of a retailer having multi-state presence. Currently, his IT system generates invoice/ bill with applicable respective VAT or CST. In GST regime, the IT System should generate invoice/ bill with applicable CGST and SGST or IGST (an additional 1% tax, if applicable!). For a service provider, there could be more challenges as applicability of CGST and SGST or IGST will depend on the Place of Supply Rules (to determine whether the transaction is intra-State or Inter-State). Thus, embedding the Place of Supply Rules (which are yet to be put in public domain!) in the IT system could pose a major challenge. Given this, to avoid the threat of disruption of business, it is advisable that early study should be carried out to understand how the systems migration for GST could be done.

4. Design Alternate Business Strategies

To gear up for GST regime, the organisation may identify alternate efficient business strategies to ensure smooth transition to GST. Even, supply chain strategies is expected to undergo a major change as entire India will become one market and there may not be any tax cost involved for intra-State vis-à-vis inter-State procurement of goods. An organisation will have to re-visit their pricing strategies as business competitors may well reduce prices of their product to pass on the GST benefits.

5. Make representation before the Government

Introduction of GST regime could affect negatively (than positively!) to few industries/ sectors. Thus, efforts should be made by the organisation to identify the possible issues for which appropriate representation could be made before the Government though various trade chambers and forums. In next few days, the Government is expected to put the draft GST law in public domain. Given this, while current economic situation is characterised by volatile economic conditions, introduction of GST remains a ray of hope, thus early initiation of aforesaid steps can surely help the organisations gain most of the proposed GST regime.

GST IN INDIA

Structure: India is proposing to implement 'dual GST'. In 'dual GST' regime, all the transactions of goods and services made for a consideration would attract two levies i.e. CGST (Central GST) and SGST (State GST). Taxes that will be subsumed in GST: GST would be levied on all the transactions of goods and services made for a consideration. This new levy would replace almost all of the indirect taxes. In particular, it would replace the following indirect taxes:

At Central level

1. Central Excise Duty (including Additional Duties of Excise)
2. Service Tax

3. CVD (levied on imports in lieu of Excise duty)
4. SACD (levied on imports in lieu of VAT)
5. Central Sales Tax
6. Excise Duty levied on Medicinal and Toiletries preparations,
7. Surcharges and cesses

At State level

1. VAT/Sales tax
2. Entertainment tax (unless it is levied by the local bodies)
3. Luxury Tax
4. Taxes on lottery, betting and gambling
5. Entry tax not in lieu of Octroi
6. Cesses and Surcharges

However, certain items / sectors would be outside the GST regime. Products such as alcohol, petroleum products would remain outside GST regime. Further, Land and properties may remain outside since they are neither good nor services.

ADVANAGES OF GST

Under GST regime the burden of taxation will be allocated fairly between manufacturing and services via lower tax rates resulting in increased tax base and minimized exemptions. It is anticipated to help in establishing an effective and transparent tax administration. It is expected to remove the cascading effects of taxes and help in establishing of common national market. Apart from this some more advantages of GST are listed below:

IGST - EFFECTIVE LOGISTICS

In current indirect tax system central sale tax (CST) is paid on interstate commerce of goods. 2% standard rate of CST is levied and distributed to exporter state as it is origin based tax. The input credit of CST can be offset with CST liabilities only. CST is paid only on interstate commerce of goods and not on supply (transportation) of goods. So, to avoid this tax large corporate build their own godowns in different states and transport their goods among states without paying CST which finally leads to decrease in cost of their product. Because of this tax dodging through warehousing by big corporate growth of small and medium enterprises hampered and they cannot survive in the market.

But, in proposed GST tax regime IGST is levied on interstate commerce and supply (both) of goods and services. Due to this an effective logistics system will come up which will prevent the tax dodging through warehousing by big corporate. This will protect small and medium enterprises from unhealthy competition of big corporate.

ANCILLARIZATION

In present indirect tax regime all big corporate want to produce each and everything in house only in order to reduce CST and cascading effect of tax. But in proposed GST system there is no CST and cascading effect which will lead to outsourcing, subcontracting and division of labour. Because of this specialization will increase in future which will help in reducing the cost of production. With the reduced prices domestic goods will be more competitive in international market which will result in increased export and help country to reduce current account deficit.

SINGLE BASE COMPUTATION

With the introduction of GST cascading effects of taxes will not exists and there will be a single base for computation of tax for both central government and state government. Initially state governments will lose tax revenue due to less taxable value of goods. But in later years due to availability of cheap goods the number of taxpayers will increase and overall tax collection of states will also boost. This increase in tax revenue will lead to fiscal consolidation which is demanded by current state of Indian economy. As per CRISIL recent report GST is best reckon for fiscal consolidation as there is not much scope to cut government expenditure in India.

EXPORT WILL BE ZERO RATE

No GST will be levied on exports because of which input credit of exporter will not be affected and he/she can use these input credit in future. With zero rated exports, domestic goods will be more competitive in international market and will help in increasing exports which in turn the fulfilment of objective of 3.5% share of India in world exports by 2020.

SIMPLE TAX STRUCTURE

As multiple indirect taxes of state and central governments on goods and services will be replaced by a single tax , the tax structure will be hoped much simpler and easier to interpretative. Reduction in the accounting complexities for business will make the manufacturing sector more competitive and boost the economy by 1% -2%.

CHALLENGES OF GOODS AND SERVICES TAX (GST)

The following are challenges ahead for implementation of GST

1. High revenue Neutral Rate (RNR)
2. Compensation to states
3. Registration threshold limit

OTHER ISSUES

- Union government need to coordinate with 30 states for "input credit" due to transfer of credit in SGST.
- State tax officials training and development before implementation of GST.
- Effective credit mechanism is essential for GST. Owing to CENVAT it is not a problem but for states again it is a major challenge.
- Analysts say that real estate market will be cramped by GST and it may result in 12% down turn in demanded of new houses because of increased cost up to 8%. (A study commissioned by Curtin University of technology.

CONCLUSION

Due to dissilient environment of Indian economy, it is demand of time to implement GST. Consumption and productions of goods and services is undoubted ly increasing and because of multiplicity of taxes in current tax regime administration complexities and compliance cost is also accelerating. Thus, a simplify user friendly and transparent tax system is required which can be fulfilled by implementation of GST .Its implementation stand s for a coherent tax system which will colligate most of current indirect taxes and in long term it will lead to higher output, more employment opportunities and flourish GDP by 1-1.5%. It can also be used as an effective tool for fiscal policy management if implemented successfully due to nationwide same tax rate. It execution will also results in lower cost of doing business that will make the domestic products more competitive in local and international market. No doubt that GST will give India a world class tax system by grabbing different treatment to manufacturing and service sector. But all this will be subject to its rational design and timely implementation. There are various challenges in way of GST implementation. They need more analytical research to resolve the battling interest of various stake holders and accomplish the commitment for a cardinal reform of tax structure in India. It help in increasing the GDP rate higher than the present rate.

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Executive Editor-OJM
Sr. Assistant Professor
Department of Business Management
Osmania University, Hyderabad. 500007.

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