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FINANCIAL INCLUSION - MEASUREMENT AND ANALYSIS A STUDY OF TELANGANA STATE

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ABSTRACT

Financial Inclusion is the process of ensuring access to mainstream financial services and timely and adequate credit to all excluded people, excluded groups such as weaker sections and low income groups, at affordable cost. India has a long history of financial inclusion. Government of Indian has formulated various policies for the same; however there is a need to measure the level of financial inclusion. This paper addresses this problem by identifying three basic banking dimensions, namely banking penetration, credit penetration and deposit penetration, which helps in construction of an Index for Financial Inclusion (IFI). This index is used to measure the level of inclusiveness in the districts of Telangana State. It is found that Ranga Reddy district has the highest level of financial inclusion followed by Medak, Khamam, Nizamabad and Warangal. Nalgonda, Adilabad and Karimnagar have a low IFI value. Mahbubnagar has a very low inclusiveness. The study will be useful to bankers and policy makers to judge the level of financial inclusion of various districts and mandals in India and thereby take appropriate action to foster inclusive growth in India.

Keywords: Financial Inclusion, Banking penetration, Credit penetration, Deposit penetration, Index for Financial Inclusion

INTRODUCTION

Financial Inclusion is the process of ensuring access to mainstream financial services and timely and adequate credit to all excluded people, excluded groups such as weaker sections and low income groups, at affordable cost. India has a long history of financial inclusion. Traditionally inclusion meant opening new bank branches in rural areas but today it is seen as banking the un-banked, and hence delivery of subsidies, direct transfer using technology has been thought of. Latest Financial Inclusion plans will concentrate on households rather than geographical area. Government of India is pushing Financial Inclusion through Pradhan Mantri Jan Dhan Yojana (PMJDY), Aadhaar and Mobile - (JAM) trinity. As per the census

2011 seventy three percent of people live in rural areas and 35% are illiterate. In India just over 50% of adults hold a bank account compared to 70% in BRICK economies. Out of 24.67 crore households in the country 10.19 crore do not have access to banking services. In rural areas 44% households and 33% households in urban areas do not have a bank account. The low penetration of formal banking in rural areas led RBI to look at Financial Inclusion as a major policy drive, which led to the introduction of Business Facilitators (BF)/Business Correspondent (BC) Model, deregulation and opening of ATMs and bank branches. As of 23th November, 2016, banks have opened 25.68 crore accounts under PMJDY. Out of 2259 rural bank branches opened during April 2015- March 2016, 1670 branches were opened in unbanked rural areas under Financial Inclusion Plan (FIP) and 71 million saving bank accounts were added totaling to 469 million accounts by March 2016 (RBI). According to Boston Consultancy Group (BCG) report, Indian has topped among 163 countries on progress made on Financial Inclusion, as 20 crore people have gained access to financial services; however the report cited that India was not effective in converting their economic growth into wellbeing improvement for their citizens (Economic Times). Major challenges faced by India under Financial Inclusion are lack of robust technology and awareness, more transaction in small fraction of money, higher transaction costs for banks, dormant accounts, financial illiteracy, and money lender's influence.

REVIEW OF LITERATURE

Josiah and Elizabeth (2012) in their paper, reviewed the literature of financial inclusion and financial sector stability with respect to Kenya. With an objective to study financial inclusion and its components in Kenya, the paper looks into various research papers and their findings. The author suggests that a banking model specific to regions in country is needed as there is no one model which fits all. Sharma and Kukreja (2013) analyzed current status of Financial Inclusion in India and access of rural people to bank branches and ATMs. The papers studies progress of State Cooperative banks in Financial Inclusion Plan (FIP). According to the authors financial inclusion has not yielded desired results and there is a long road ahead. The paper by Shabna (2014) discusses financial Inclusion in India and points out reasons for exclusion and highlights measures taken by RBI in promoting financial inclusion. The paper points out hurdles in financial inclusion citing low financial literacy, lack of awareness and cost of transaction as the major ones. Laxmi Mehar (2014) in her paper discusses international experience, comparing India with other countries and explores the challenges faced by India. The author suggests merging of unviable bank branches, lowering of cost and development of new products for a successful implementation of Financial Inclusion Plan in India. Selvakumar, Mathan and Sathyalaxmi (2015), have taken Sivakasi taluk for their study. With an objective to examine the opinion of customers towards financial services rendered by banks in Sivakasi and to analyze perspectives of rural people towards financial inclusion, 198 respondents were taken. The study found no significant relation between genders, marital status, and type of family with level of interest in financial services. No significant association was found between age, education, income and occupation with level of interest in financial services. Aimed at reviewing papers on how financial inclusion serves as means for inclusive growth and to study initiatives taken by RBI and Government of India, Purvi and Medha (2015) in their paper suggest that banks should be encouraged by Government to organize awareness programmes on financial literacy to foster financial inclusion. To study the role of SBI in financial inclusion from 2000 to 2013, Meshram and Yawalkar (2016) in their paper discuss the schemes initiated by SBI for financial inclusion. Schemes like Customer Service Point (CSP), Business Correspondent (BC) are discussed and the progress made by SBI under FIPs is elaborated. Bhuvana and Vasantha (2016) in their paper studied the dimensions for measuring financial inclusion in the rural areas of Tamil Nadu, and generate scores for various districts. It was found that Ariyalur district had the highest financial index score followed by Perambalur. Authors suggest that Government should accelerate financial services in other districts with poor scores. Most of the papers above have concentrated on progress of financial inclusion; however few have measured financial inclusion in different districts and none in the newly formed state of Telangana.

OBJECTIVE OF THE STUDY

1. To analyze the dimensions that measures the level of Financial Inclusion, and compute Index for Financial Inclusion (IFI) scores for various districts in Telangana State.

RESEARCH METHODOLOGY

The data for the study has been collected from secondary sources like RBI annual reports, NABARD reports, SLBC reports, database on Indian economy and census 2011. To measure the Index for Financial Inclusion (IFI), three critical dimensions of basic banking services are taken. The three dimensions are branch penetration, credit penetration and deposit penetration. These dimensions focus on number of people included under banking services rather than number of branches opened and amount deposited. Banking penetration is calculated as the ratio of number of bank branches in a given district per one lakh population. Credit penetration is the ratio of number of loan accounts per lakh population and deposit penetration is the ratio of number of saving deposits per lakh population. The following figure illustrates dimensions of Index for financial inclusion.

Figure 1 Dimensions of Index for Financial Inclusion,

Dimension Measure Interpretation

Source: CRISIL Inclusix

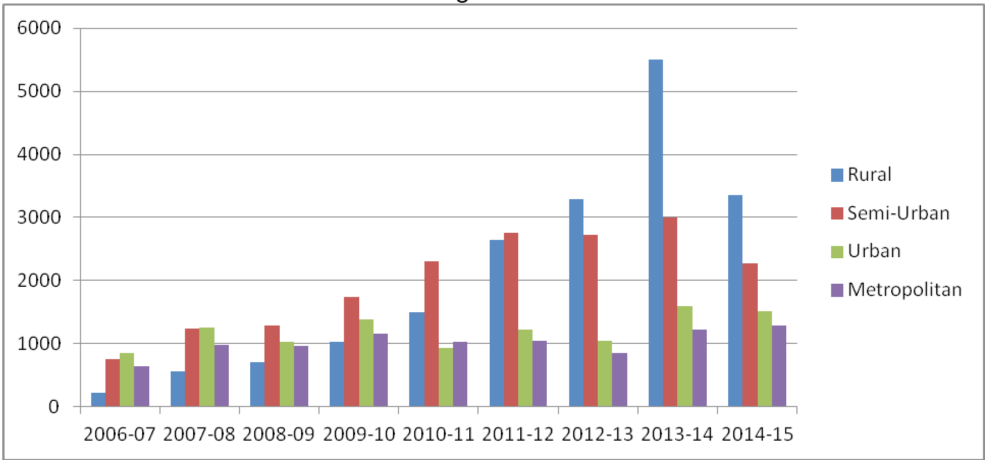
Banking Penetration (d1): Presently the ratio of bank branches to BC model is very low. RBI has asked banks to submit road map on number of branches they will open by 31st March, 2017. More number of branches will enable banks to provide quality financial services and help in monitoring BCs. Hence this is a vital dimension. It measures the depth of financial inclusion, by calculating the ratio of bank branches per lakh population. Table 1 illustrates branches opened by commercial banks in India during 2006-15.

Table 1 Number of Branches Opened by Commercial Banks in India

Year	Rural	Semi-Urban	Urban	Metropolitan
2006-07	225	761	854	641
2007-08	568	1242	1252	986
2008-09	709	1288	1031	972
2009-10	1037	1735	1391	1161
2010-11	1505	2311	936	1029
2011-12	2641	2765	1232	1040
2012-13	3292	2730	1043	847
2013-14	5497	2999	1597	1228
2014-15	3354	2267	1515	1291

Source: RBI reports

Figure 2 Number of branches opened by Commercial Banks in India during 2006-201



Source: RBI reports

Credit Penetration (d2): Offering timely credit is important to improve the welfare of the rural poor. Poor often need credit in distress and under emergency. Kissan credit cards (KCC) provide affordable credit to farmers and General credit cards (GCC) increase flow of credit to individuals for entrepreneurial activities in the non-farm sector. It is the ratio of number of loan accounts in a given district per lakh population.

Deposit Penetration (d3): Apart from bank expansion, banks were advised to open 'no frills account', now labeled as Basic Saving Bank Deposit Account (BSBDA). The account holders can maintain a minimum or zero balance in these accounts, which also offers overdraft facility. Deposit penetration is the ratio of number of saving deposits per lakh population,

Data Analysis

For the construction of Index for Financial Inclusion (IFI), the above dimensions are taken. IFI developed by Sarma (2008) is adapted for the study with slight modifications in dimensions. This index is used to judge the level of inclusion in various districts of Telangana State. Prior to that, dimensions have to be normalized. Variables are normalized to ease comparison. Normalization is the process of reducing measurements to a neutral or standard scale. In this process the data is casted to a specific range like 0 - 1. Normalization is required when there is a big difference in the range of different dimension and the datasets do not contain outliers. To normalize the dimensions the following formula is used

$$dX_{ij}^* \text{ (normalized)} = (X_{ij} - X_{imin}) / (X_{imax} - X_{imin}) \quad \text{..........................(1)}$$

where Xij is the actual value of the dimension to be normalized, Xij indicates the ith dimension for jth district, where (1≤ i ≤ 3) and (1 ≤ j ≤ 9). Ximin is the minimum value of all districts for that dimension i, Ximax is the maximum value of all districts for that dimension i. The value of dXij* (normalized values are indicated by *) lies between zero and one. Higher value implies higher achievement in that dimension. The distance i will be represented by a point D = (d1, d2, d3,........, dn) on the n dimension Cartesian plane. The point O = (0,0,0,.......,0) indicates the worst situation and the point I= (1,1,1......,1) indicates the highest achievement in all dimensions. IFI for a district is measured by the normalized inverse Euclidean distance of point D from I = (1,1,1,....1) and is given by

$$IFI = 100 - \sqrt{(100 - d1_j^*)^2 + (100 - d2_j^*)^2 + (100 - d3_j^*)^2} / \sqrt{3} \quad \text{....................(2)}$$

In the equation (2), $d1_j^*$ represents the normalized value of first dimension (Banking penetration) for the jth district, $d2_j^*$ represents the normalized value of credit penetration for jth district and $d3_j^*$ is the normalized value of deposit penetration for jth district. For the study nine districts of Telangana state are taken, hence j takes values (j=1,2,3,4,5,6,7,8,9). Hyderabad is not considered for the study, as it is a metropolitan city and close to full financial inclusion. Further the inclusion of Hyderabad had resulted in skewed results and hence it was dropped. Newly formed districts are not considered due to unavailability of data. Table 2 illustrates the branch, credit and deposit penetration in districts of Telangana.

Table 2 Branch, Credit and Deposit penetration in districts of Telangana State

S. No	District (j)	Number of Branches	Population	Branch penetration (X1j)	Credit penetration (X2j)	Deposit penetration (X3j)
1.	Medak	348	3033288	11.47269893	3.395886418	3.653292117
2.	Nizamabad	327	2551335	12.81681943	2.766618809	3.017536411
3	Adilabad	273	2741239	9.959000291	2.777253308	2.380834542
4	Karimnagar	413	3776269	10.93672087	3.598455375	2.493911538
5	Warangal	362	3512576	10.30582683	3.505178951	3.400761729
6	Khamam	308	2607066	11.81404690	3.292102797	3.316065056
7	Nalgonda	396	3488809	11.35057838	2.175305194	3.239822899
8	Mahbubnagar	372	4053028	9.178322972	1.812874564	2.169694910
9	RangaReddy	895	5296741	16.89718263	11.64273181	5.878264703

Source: Complied and calculated by authors from SLBC, RBI and Census, 2011 data

Branch penetration (X1j), credit penetration (X2j) and deposit penetration (X3j) values are taken from Table 2 for each district and are normalized using the equation (1). The normalized values of all the three dimensions for each district is calculated and tabulated as shown in Table 3. The normalized values are ranked for each dimension.

Table 3 Normalized branch, credit and Deposit penetration in districts of Telangana State

S. No	District (j)	Normalized branch penetration d1j*	Ranking	Normalize credit penetration d2j*	Ranking	Normalized deposit penetration d3j*	Ranking
1.	Medak	0.29456982	4	0.16104806	4	0.400067982	2
2.	Nizamabad	0.46711417	2	0.09703240	7	0.228640568	6
3	Adilabad	0.10025677	8	0.09811425	6	0.056958028	8
4	Karimnagar	0.22576647	6	0.18165549	2	0.087448508	7
5	Warangal	0.14477879	7	0.17216644	3	0.331974796	3
6	Khamam	0.33838856	3	0.15049011	5	0.309136886	4
7	Nalgonda	0.27889324	5	0.03687781	8	0.288578682	5
8	Mahbubnagar	4.14599E-05	9	7.58547E-06	9	2.55918E-05	9
9	RangaReddy	0.99090919	1	1.00000323	1	1.000017447	1

Source: Computed by authors from SLBC, RBI and census 2011 data

Using the normalized values of the three dimensions, Index for Financial Inclusion (IFI) is calculated for each district using equation (2) which is given below and the scores are tabulated in Table 4

$$\text{IFI} = 100 - \sqrt{(100-d1_j*)^2 + (100-d2_j*)^2 + (100-d3_j*)^2} / \sqrt{3} \quad \ldots\ldots\ldots\ldots (2)$$

The following criteria are used to judge the level of Financial Inclusiveness.

$0.5 < \text{IFI} \leq 1$ - High Financial Inclusion

$0.2 < \text{IFI} \leq 0.5$ - Medium Financial Inclusion

$0 < \text{IFI} \leq 0.2$ - Low financial Inclusion

A value less than zero indicate very low financial inclusion. The districts are ranked according to IFI scores. Table 4 illustrates the IFI scores for all districts and the level of financial Inclusion.

Table 4 Index and Level of Financial Inclusion in Districts of Telangana State

S. No	District	IFI	Ranking	Level Of Financial Inclusion
1.	Medak	0.2822	2	Medium
2.	Nizamabad	0.26122	4	Medium
3	Adilabad	0.0822	8	Low
4	Karimnagar	0.161985	7	Low
5	Warangal	0.213453	5	Medium
6	Khamam	0.26305	3	Medium
7	Nalgonda	0.198451	6	Low
8	Mahbubnagar	-0.0029085	9	Very Low
9	RangaReddy	0.6958756	1	High

Source: Computed by authors

RESULTS

After normalizing the dimensions, it was found that Branch penetration was highest for RangaReddy (RR) district, followed by Nizamabad and Khamam (Table 3). Warangal has a less penetration of bank branches. Warangal fared better after RR and Karimnagar district with regard to credit penetration and Medak stood fourth. Deposit penetration found Ranga Reddy doing very good followed by Medak, Warangal and Khamam which indicates that savings are high in these districts. IFI score was highest for RangaReddy district followed by Medak, Khamam, Nizamabad and Warangal. RR district has high financial inclusion. Medak, Nizamabad, Khamam and Warangal have a medium level of inclusion. Attention needs to be paid to Adilabad, Karimnagar, Nalgonda and Mahbubnagar districts.

CONCLUSION

The objective was to measure the level of Financial Inclusion and calculate IFI. The study was carried out for nine districts in Telangana State. Using three dimensions namely banking penetration, credit penetration and deposit penetration an Index for Financial Inclusion (IFI) was constructed. It was found that RR district has a high level of financial inclusion, whereas Medak, Khamam, Nizamabad and Warangal have a medium level of financial inclusion. Districts such as Adilabad, Nalgonda, Karimnagar and Mahbubnagar needs attention as they stand low on IFI. There is a need to open more branches and facilitate credit and saving facilities coupled with usage of technology to increase financial inclusion in these districts. The study will be useful to bankers and policy makers to judge the inclusiveness of various districts and mandals in India and thereby take appropriate action to foster inclusive growth in India.

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A STUDY ON MARKETING OF PRODUCTS THROUGH DIGITAL MARKETING IN INDIA

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INTRODUCTION

Digital marketing has burst upon the business scene with a big bang, making entrepreneurs to sit up and take notice. In reality, digital marketing has a tremendous potential to increase sales as digital platforms are increasingly incorporated into marketing plans. Digital marketing is often referred to as ‘online marketing’, ‘internet marketing’ or ‘web marketing. Digital marketing is the promotion of products or brands via one or more forms of electronic media in various forms like wireless text messaging, mobile instant messaging, mobile apps, podcasts, electronic billboards, digital television and radio channels, etc. and any other digital medium that consumers have access to information any time and any place they want it. 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., through the spread of information and awareness that occur across numerous channels such as the blogosphere, YouTube, Facebook, Instagram, Snapchat, Pinterest, and a wide variety of other platforms etc.

Growth of Digital Marketing

Digital marketing became more sophisticated by 2016s, and the proliferation of devices enabled access to digital media which led to great growth of digital advertising. Ad spending in India has grown to 15.5% in 2016 to Rs.57,486 crore with digital advertising expanding at the fastest pace of 47.5%, media agency GroupM, part of global advertising group WPP Plc.,. Digital advertising is accounting for 12.7% of all ad spending in 2016, the agency estimated, up from 9.9% in 2015. Print media’s share will shrink from 32.4% to 29.7%. And TV will remain the dominant medium with a 47.1% share, up from 46.3%. “India is the fastest growing ad market among all the major markets of the world. 2015 was the best year for ad spend growth in the last five years,” as said by C.V.L. Srinivas, chief executive at GroupM South Asia. “While global headwinds are building up in the new year, there are a number of positive factors that will help the Indian ad sector grow at higher levels in 2016.” Consumer product, automobile and e-commerce companies are continuing to drive growth (as they did in 2015) and telecom, banking and finance, and the government sector will join the party, according to Srinivas. Growth is also expected to get a fillip from events such as the T20 World Cup cricket tournament, Indian Premier League (IPL) and state elections. “While digital media will remain the fastest growing platform, India is one of the few large markets where all traditional media platforms will show positive growth,” Digital marketing activity is growing across the world according to global marketing index. Digital media continues to rapidly grow; while the marketing budgets are expanding, traditional media is declining (World Economics, 2015). As digital marketing becomes increasingly important to business strategies, 80% of companies plan to increase their digital marketing budgets, according to a study by Laura Mc Garrity of Mondo, VP-digital marketing strategy at Mondo, a technology and digital-marketing resource provider mentioned in “The Future of Digital Marketing,”. This was based on an online survey of 262 digital marketing executives at b-to-c and b-to-b companies. It found that today Mobile, Video and social media are seen as key drivers of customer engagement.

The role of Digital Marketing In India

Digital marketing is growing with a rapid pace not only in India but throughout the world as well. Digital marketing industry is booming high and already achieved growth rate of 30% last year and estimated growth 40% for year 2016 and the most important part is that growth rate is not going to be stagnant in coming years. The Indian advertising industry has evolved from being a small-scaled business to a full-fledged industry. The advertising industry is projected to be the second fastest growing advertising market in Asia after China. It is estimated that by 2018, the share of ad spend in India’s Gross Domestic Product (GDP) will be around 0.45 per cent.

India’s Advertising industry is expected to grow at a rate of 16.8 per cent year-on-year to Rs 51,365 crore (US$ 7.61 billion) in 2016, buoyed by positive industry sentiment and a strong GDP growth of 7 per cent and above. Print media contributes a significant portion to the total advertising revenue, accounting for almost 41.2 per cent, whereas TV contributes 38.2 per cent, and digital contributes 11 per cent of the total revenue. Outdoor, Radio and Cinema make up the balance 10%.

Companies and Advertising agencies in Digital Marketing:

Some of the companies that are marketing products using the Digital Marketing as a tool directly or using digital marketing agencies to promote businesses through advertisements

- Snapdeal.com, one of India’s largest and fast growing e-commerce companies, has acquired Targeting Mantra (Insightful Pvt. Ltd), which is a Gurugram-based marketing and personalisation Services Company, use the digital marketing as part of its plan to enhance the experience for its customers.
- Indian Railways has appointed Ernst & Young (EY) as a consultant to discover

its advertising potential, which is in line with the Railway Budget proposal of increasing non-fare earnings to over Rs 5,000 crore (US$ 741.2 million) in five years.

- Advertising agency J Walter Thompson has launched its global digital agency network ‘Mirum’ in India which will provide services such as strategy and consulting services, campaigns and content, experience and platforms, analytics and innovation and product development, with the target to increase non-traditional media revenues to 40-45 per cent from 35 per cent currently.
- DDB Mudra Group has planned to launch ‘Track DDB’, a brand that addresses the data-led world of marketing communications, which will provide services like creative, data and digital analytics, database marketing, CRM, digital and mobile marketing in India.
- All India Radio (AIR) has appointed ‘releaseMyAd’ as a virtual agency to let advertisers book ads for all of AIR’s station online.
- Google is all set to help India implement Prime Minister Mr Narendra Modi’s “Digital India” initiative, and the government has a well laid out plan to realise it, said Google’s Chief Internet Evangelist Mr Vinton G. Cerf. Digital India is Rs 1.13 trillion (US$ 16.75 billion) government initiative that seeks to transform the country into a connected economy, attract investment in electronics manufacturing, and create millions of jobs and support trade.
- Telecom major Axiata’s subsidiary, Axiata Digital Advertising (ADA) has formed a joint venture with US-based advertising tech firm Ad knowledge to get into the US$ 47 billion digital ad market in the Asia Pacific region and has identified India as a ‘key’ market.
- Pinstorm focuses on integrated digital marketing and provides services like Search marketing, Social Media marketing, Search engine marketing, campaigns, bids, ads, prospects for Café Coffee Day, ICICI Bank, Sharekhan, HSBC, ET Now, GQ, Open, NIIT, Jet Airways, Idea, Hindusthan Times, Taj, Sony, Tanishq, Lee, Greenpeace, Yahoo, Canon, etc
- iStrat is a member of National Association of Software and Services Companies (NASSCOM) that deals with brand management and marketing. Founded in 2003, the company has a wide range of services including digital communications services, search engine optimization, social media, ecommerce services, web solutions, online marketing, relationship marketing, interactive kiosks and digital films for Maruti Suzuki, Nestle, Alpha Corp, Pepsico, Redtape, DSCL, Max India Limited, Ericsson India, Pfizer India, Apesma India, CII, Hero Honda, Ranbaxy, Google, MSN, Yahoo, Ask, Moneycontrol.com, NDTV, Wikipedia, and more.

- Webchutney works with leading companies in India by developing award winning and memorable experiences for brands to connect, engage with and build sustained relationships with their consumers online. Services include website design, online advertising, social media, and mobile marketing for Airtel, Microsoft, Unilever, Marico, Titan, MasterCard, Barclays, Proctor & Gamble, Budweiser, Wipro, HDFC among others.

Government Initiatives towards Digital Marketing

The Indian government has given tremendous support to the advertising and marketing industry. Advertising expenditure is likely to increase in the financial sector, driven by Reserve Bank of India (RBI) policies which could result in a more favourable business environment. The Governments of India and Canada have signed an audio-visual co-production deal which facilitates producers from both countries to harness their collective artistic, technical, financial and marketing resources, and encourage exchange of culture and art between the two countries. India and Poland are seeking to enhance cooperation in the digitisation and restoration of film archives. This was decided in a meeting between Mr Bimal Julka, Secretary of Information and Broadcasting, India, and a delegation from Poland led by Ms Malgorzata Omilanowska, Secretary of State. The two countries will form a joint working group that will help improve cooperation in fields such as student exchange programmes, animation, films and digitisation, among others. Mr Rajyavardhan Singh Rathore, Minister of State for Information & Broadcasting, has announced that Indian government has planned to increase advertising spend on the digital platform which will help increases the government's presence in digital media.

Impact of Digital Marketing on Online Shopping

Online shoppers are expected to increase in millions by 2016. Indians are increasing in having access the Internet in every three years, with majority of them coming online through Smartphone's. Indian e-commerce market is estimated to grow at a compounded annual growth rate (CAGR) of 63 percent to reach $8.5 billion (Rs. 54,304 crores approximately) by 2016 on the back of growth in the penetration levels of mobile and Internet and increased consumer demand. India will have 100 million online shoppers and the country's e-tailing sector will become a $15 billion market by 2016. The annual online shopping growth report was compiled by Forrester Consulting and Google search trends. The number of online shoppers in India is projected to be 35 million in 2014 and it was 8 million in 2012, said Nitin Bawankule, Google India industry director for e-commerce, local and classifieds. The research was compiled by interviewing 6,859 respondents covering online buyers and non-buyers in 50 cities to the growth rate of Online Shopping. "Online shoppers base has grown three times by 2016, and over 50 million new buyers have come from tier I and tier II cities. The confidence to shop online was on the rise as 71% non-buyers from tier I and tier II cities said they plan to shop online in the next 12 months," the study said. The report also projected that 40 million women are estimated to shop online in India by 2016. "India is adding 6 million new internet users every month," said Rajan Anandan, Google India vice president and managing director. As the internet users 462,124,989 Source: Internet Live Stats (www.InternetLiveStats.com) are increasing day by day ecommerce industry is also on a booming path. Companies are shifting their advertising budget from traditional marketing to digital marketing strategies. User engagement over social networks and internet penetration rate has given a clear signal that online presence is not only necessary but it is must for all the business who want to grow in new era.

Advantages and limitations

The whole idea of digital marketing can be a very important aspect in the overall communication between the consumer and the organisation. This is due to digital marketing being able to reach vast numbers of potential consumers at one time. Digital marketing is that consumers are exposed to the brand and the product that is being advertised directly. To clarify the advertisement is easy to access as well it can be accessed any time any place. However, with digital marketing there are some setbacks to this type of strategy. One major setback that is identified is that Digital marketing is highly dependent on the internet. This can be considered as a setback because the internet may not be accessible in certain areas or consumers may have poor internet connection. As mentioned earlier, technology and the internet allows for 24 hours a day, 7 days a week service for customers as well as enabling them to shop online at any hour of that day or night, not just when the shops are over and across the whole world. This is a huge advantage for retailers to utilise it and direct customers from the store to its online store. It has also opened up an opportunity for companies to only be online based rather than having an outlet or store due to the popularity and capabilities of digital marketing. A disadvantage of digital advertising is the large amount of competing goods and services that are also using the same digital marketing strategies. For example, when someone searches for a specific product from a specific company online, if a similar company uses targeted advertising online then they can appear on the customer's home page, allowing the customer to look at alternative options for a cheaper price or better quality of the same product or a quicker way of finding what they want online. Some companies can be portrayed by customers negatively as some consumers lack trust online due to the amount of advertising that appears on websites and social media that can be considered frauds. This can affect their image and reputation and make them out to look like a dishonest brand.

CONCLUSION

There are number of ways companies' use digital marketing to benefit their marketing efforts. The use of digital marketing in the digital era not only allows for companies to market their products and services but also allows for online customer support through 24/7 services to make customer feel supported and valued. The use of social media interaction allows brands to receive both positive and negative feedback from their customers as well as determining what media platforms work well for them and has become an increased advantage for brands and businesses.

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A STUDY ON USE OF KIOSKS IN INDIAN MARKET BY BUSINESS HOUSES

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ABSTRACT

Kiosks have the potential to be a significant application of IT in retailing, information provision and service delivery. This article discusses and analyses the application of kiosks as a channel for service delivery at various places in India by various companies. Kiosks are machines kept in shopping malls and other such places by organizations to spread the information and generate orders from customers who visit such malls. Eg. Ambi Pur, a perfume company dealing in room fresheners recently organized a marketing campaign in the Nirmal lifestyle, Mumbai. The company used inflatables to attract small boys. The kiosk attracted a lot of parents who came in with their children and stopped by the kiosk and got information about the company. The objective of the campaign was to create awareness about the product among the target consumers, mainly the households. Kiosks used by many companies and organizations like IRCTC, Banks, Post offices, Mc Donalds, Unipay, Food Services etc.

Keywords: Kiosks, Products, Service Delivery, Retailing markets

INTRODUCTION

A kiosk is a small, temporary, stand-alone booth used in high-traffic areas for marketing purposes. A kiosk is usually manned by one or two individuals who help attract attention to the booth to get new customers. Retail kiosks are frequently located in shopping malls or on busy city streets with significant foot traffic. Similarly Information kiosks are computer workstations that are located in public areas, and designed to provide public access to digital information and e-transactions. Kiosk technology supports these public access applications with a highly visible housing for the workstation, and interfaces that are easy to use and often based on touch screens. In retailing and other business environments such as travel, entertainment, advertising, property marketing and building, information kiosks, sometimes described as multimedia kiosks or public access kiosks, are being used to provide information and services directly to customers. Kiosks supplement the other growing application of information technology in customer communication and service, the Internet. The Internet typically is used to reach remote customers, often located in homes and offices. Kiosks, on the other hand, are typically located in a store, or in a shopping centre or mall, or in other public environments such as railway stations, motorway service stations and airports.

Kiosk in Retail Marketing

Each kiosk is made according to the environment. The Kiosk have ability for interactions, transactions, or relationships are embedded for service delivery. Because of their small, temporary natures, kiosks can be low-cost marketing strategies. They are also a good way to give a company a human face and to give customers the opportunity to ask questions about a product. For example, a local newspaper might set up a kiosk at a grocery store to sign up new subscribers. Similarly, credit card companies often set up kiosks in airports to seek new customers for a credit card that offers frequent-flyer miles. Some kiosks being used are

Employment Kiosks: Employment kiosks where job seekers can apply for work. This type of kiosk is especially commonplace in chain stores such as Walmart and Sears. Employment kiosks provide a way to quickly identify promising candidates, who will often receive an interview on the spot. The kiosk may include a computer station at which the applicant can use a keyboard or touch screen to input information about their employment history, education and personal data. Some employment kiosks also administer assessment tests to help determine an applicant's strengths and weaknesses. Information collected at the kiosk is frequently available to the hiring manager almost immediately.

- Food Service Kiosks: In an effort to streamline the process of taking food orders, some restaurants install self-service kiosks. Customers can follow interactive prompts to select their meal and customize their order. The kiosks usually accept credit or debit cards, eliminating the need for a human cashier. When restaurants use kiosks, the need for counter personnel is reduced, lowering payroll costs for the company.
- Health Care Kiosks: The health care industry has also joined the movement toward automated kiosk services. Medical kiosks allow patients to check in for appointments, pay bills and update personal information. At some kiosks, patients can even take their own blood pressure or perform other non-invasive tests, and then relay the results to their doctors. In some cases, medical kiosks also offer educational videos about medical conditions and their treatments. Patient kiosks can reduce medical costs by cutting down on paperwork and eliminating some clerical staff positions. Critics of medical kiosks point to concerns about patient confidentiality as an argument against their use.
- Energy Kiosk: The energy kiosk model is an approach to provide electricity to low income households in off-grid regions. The kiosk produces electricity, usually

using a solar panel, and sells it to users through charging devices. A variety of actors – including multi-national companies, start-ups, governmental initiatives, and non-governmental organisations – are engaged in energy kiosk initiatives. Kiosk models can be simple charging stations for lamps and batteries, or multi-service stations offering retail products, entertainment and education. You can find successful showcases especially in Sub-Saharan Africa and India, though only few projects have gone beyond the pilot stage.

- Rural PC kiosks: These Kiosks and telecentres are perhaps the most-discussed form of ICT4D, or "information and communication technologies for development." Rural kiosks are shared-access computer centres, run either as community centres or as businesses that seek to deliver services to support socio-economic development of rural areas. Proponents of rural kiosks hope that these centres can be used to support health, banking, governance, agricultural, and other applications that contribute to development agendas. Many entities are involved in the set up of rural kiosks – governments, academia, multilateral organizations, corporations, and non-profits, and all have channeled substantial investment into rural kiosk projects around the world.

Use of Kiosk in Indian Market for sales of Product and Services

A kiosk refers to a small stall or booth that offers goods and services. Vendors operating from kiosks often sell small, inexpensive consumables. For example, a newspaper kiosk. Also, bigger stores or retail chains sometimes install small kiosks in malls or transit points to offer their products outside of the traditional stores.

- The popular restaurant chain Rajdhani, known for its delectable Rajasthani spread, has kiosks in food courts of malls where it offers snacks all day as against the 'Rajasthani thali' normally offered in its fine dining restaurants in lunch and dinner hours only.
- The Bangalore Water Supply and Sewerage Board, known as BWSSB, not only allows online payments for its services, the board has effectively made payments for convenient for consumers by installing several dedicated kiosks (exhibit below) across Bangalore to serve the consumers. BWSSB used an IT application and promoted the concept of anytime anywhere bill payment to facilitate easy payment of water bills by citizens, especially those who don't have time to visit the board offices during working hours. The kiosk provides bill details and also allows the citizens to make direct payments
- Indian Railway Catering and Tourism and Corporation (IRCTC) has already signed an MoU with DMRC to operate food joints at 130 Delhi Metro stations in the Capital. Passengers travelling on the Delhi Metro can now enjoy quality

snacks and delicacies at reasonable rates with IRCTC opening its first set of food kiosks on the stations on the Green Line.

- Christened 'Food Track', these kiosks will offer light snacks such as sandwich, samosa, burger, pizza, rolls to mini meals such as rajma-chawal, chhole-chawal and kadi-chawal. The snacks will be served hot and packed, while mini meals will come served in microwave oven compatible sealed trays, an IRCTC official said.
- Allowing shoppers to purchase gold off a vending machine, BlueStone.com, online jewellery portal, has launched Gold ATMs. The machines located at Forum Mall in Bengaluru and Select City Walk in Delhi are equipped to dispense certified 24 carat gold coins in denominations of one, two, five, ten and twenty grams. Introducing shoppers in the two cities to a Gold ATM for the first time, the concept is aimed at providing exceptional convenience during the festive rush. It also offers the most unique shopping experience for buyers of gold who have so far purchased precious metals either from a jewellery store or online. First time buyers and men especially are expected to make the most of the gold ATM owing to its functional and practical aspects. Installation of the machines at two very popular locations in the cities of Bengaluru and Delhi ensure convenience to shoppers in a rush to buy gifts for the auspicious festive season. Speaking on the launch, Arvind Singhal, COO, BlueStone.com said, "Introduction of the gold ATM during the festive season not only adds convenience to buying gold but is also a means to connect with our customers by providing them with physical touch points.
- Kiosk Banking also known as "Bank Mitra", is a model developed by RBI under the guidelines of Government of India. With this model banks will provide their services at the door of their customers. It has been asked by the RBI to all Banks that they must reach to every customer. During a survey, it was found that in India, not even 20% of total population has their account with bank and that's why people of India can't get proper benefit of different schemes driven by Government. In Kiosk Banking, A CSP (Customer Service Point) will be opened in every village / ward in city, where the population is greater than 2000. A CSP will provide the services at his office: New Account Opening, Cash Deposit, Cash Withdrawal, New account openings, Opening RD (Regular Deposit) Accounts, Self Help Group Accounts opening, providing services to current customers of bank, Account openings under 'Pardhanmantri Jan Dhan Yojna'.
- Post Office Self Service Kiosk, Save time and post your letters and parcels at an in branch of post office self service kiosk. From posting parcels to buying stamps and packaging, it's the same reliable service, but quicker.

- The McDonald's Dessert Kiosks are designed to enable convenience and accessibility for customers who wish to exclusively purchase desserts. This acts as a convenient and quicker alternative while giving customers the option to leisurely browse and choose desserts. Customers can indulge from an assortment of desserts and beverages at our dessert kiosks.
- Payment Kiosks by Unipay Network provides the kiosks that can accept payments for unlimited number of services: mobile recharge, internet, insurance, utilities services, PIN-codes sales, different tickets, education fees, bill payment, recharge of internet shop accounts and many many other services.

CONCLUSION

Self-service kiosk devices are here to stay in Indian markets to provide services to the consumers. For consumers convenience the companies are continuing to drive demand for these devices, while significant labor and productivity savings make them appealing for businesses. Though PC-based architectures in the kiosks are available, they have not proven to be the most effective and cost-efficient technology for device operation in certain cases. Instead, thin client devices engineered from the ground-up offer the greatest cost advantages, including savings in support, maintenance and power consumption.

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EMERGING TRENDS IN MARKETING OF FAST FOOD ITEMS IN HYDERABAD

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ABSTRACT

At a time when the economy is experiencing a slowdown and many sectors are struggling to grow, one sector that has grown rapidly is the un-organized fast food outlets .The unorganized restaurant market includes the roadside vendors, Dhabas, the food courts and kiosks. Furthermore, the increased exposure to eating out in the media has helped develop the market by enticing people to try new cuisines, concepts, and recipes, and eat out frequently. This widespread shift in lifestyles has encouraged operators to try formats and concepts that cater to the needs of this growing segment and give them an engaging platform. The study seeks to highlight the realities, trends, prevalence and shift in food habits and the new trends in Kiosks marketing with respect to the High – Tech life-styles. This paper establishes the need to develop an understanding of the underpinning culture and traditions which differentiate life-styles. Keeping in view the Indian habits and changing preferences towards food consumption, it is inevitable to understand the industry, identify the critical factors that can affect the customers' visit to Food Kiosks. The paper analyses the kiosks' prevalence and growth based on certain dimensions: Taste and preferences, change in life-Style, Time factor, Accessibility and Affordability. It is suggested that there is a need to focus on the potential for comparison in cross-cultural food habits among the locals and the new settlers.

Key Words: Food Kiosks, Street Stalls, Quick service restaurants& Life-style.

INTRODUCTION

Fast food means reasonably priced and readily available food that is generally high in calories, fat, salt and sugar. Fixed price menus have emerged and evolved within the Indian food services space in recent years, and especially in the Casual Dine Restaurants (CDRs) and Fine Dine Restaurants (FDRs). Their growth can be attributed to the changing lifestyles of the urban population, of which youngsters make up a high proportion, double income households, and single working women with a high propensity to spend. Furthermore, the increased exposure to eating out in the media has helped develop the market by enticing people to try new cuisines, concepts, and recipes, and eat out frequently. This widespread shift in lifestyles has encouraged operators to try formats and concepts that cater to the needs of this growing segment and give them an engaging platform. Fixed buffet menu restaurants, which were traditionally popular within hotels, have registered growth outside such premises as well. CDRs and FDRs are now coming up with fixed buffet menus that offer a medium-to-large spread of options in various meal courses at a fixed price. While the last few years have seen the Indian Foodservices market take giant leaps in terms of exploring cuisines from all corners of the world.

The study seeks to highlight the realities, myths, and the prevailing food trends in Hyderabad .The paradigm shift of Hyderabadi people from traditional breakfast or food habits to the present day High-Tech life and its challenges.The need to develop an understanding of the underpinning culture and traditions, which primarily differentiate life styles. Keeping in view the Indian habits and changing preferences towards food consumption, it is inevitable to understand the industry, identify the critical factors that can affect the customers' visit to Food Kiosks. Also analyze the kiosks' prevalence and growth based on certain dimensions: Taste and preferences, change in life-Style, accessibility, Time factor and Affordability. Practical implications for organized sector in Hyderabad are discussed. This paper is divided into three sections. Section –I consists of Introduction, Literature Review, objectives and methodology. Section-II consists of kiosk categorization and discusses the new customers' journey. Section –III has the analysis of various kiosks, competitive landscape and conclusion.

Literature Review

(1) Kotler (2009) Stated that core purpose of any fast food retailer must be related to providing value for money to its customers and employ advanced marketing & communication channels to strengthen the overall marketing campaign. Ali et al. (2010) found that improving customer relationship could provide an edge for fast food retailers in India provided they are able to manage and formulate new marketing tools and practice to facilitate greater customer satisfaction and better overall experience. (2) Goyal & Singh (2007) have culminated that the young customers visit fast food channels for fun and change. In data monitor's (2005) survey fast food market is defined as sale of food & drinks for immediate consumption either on the premises or on designated areas shared with other food service operators or for consumption elsewhere. (3) Gupta (2003) found that customer perception, taste & satisfaction develop more favorable consumer behavior towards particular brand than any other factor. United nation economic and social commission for Asia predicted that by 2020 50% of total population would be urban; half of that population would be from Asia. So fast food companies have been taking it as an opportunity to serve to

Asian countries like India, “Food in globalized world” has concluded that food is a means of life but it has become meaningful investment for Business (Ragavan2003). The “think global and act local” strategy brought McDonald’s competitive advantage in the fast-food industry. They customized their marketing strategies based on the cultural, economical and sociopolitical factors of different nations (4) (Cooper and Edgett, 2009).

Based on the literature review the following objectives are framed.

OBJECTIVES OF STUDY

To study the critical factors affecting the Food Kiosks in terms:

- Taste and preferences
- Change in life-Style
- Accessibility
- Time factor and
- Affordability

METHODOLOGY

The study is exploratory and descriptive. Basically it is a conceptual paper based on an exhaustive survey of literature already available on the theme. The study depicts the Food habits and practices in Hyderabad. It chronicles the evolution of new food trends and the kiosk marketing prevalence and acceptance in Hyderabad over the years. Various secondary data sources like Journals, books pertaining to food kiosks was used as sources of Data.

Kiosks, Street Stalls and Quick Service Restaurant Categorization

A kiosk is a booth with an open window on one side. Broadly, carts and kiosks fall under the branch of retailing called ‘Specialty Retail’ which refers to businesses targeting a niche audience - on the basis of geography, gender, tastes and the range of products sold. A street stall is normally with small dimensions that can accommodate five to ten customers at a time. Many veg and non-veg food joints have flourished in this format. Quick service restaurants mean restaurants that offer fast, efficient, take-out ready foods at reasonable prices. The size of organized Indian QSR market is $0 .62 bn, and is expected to reach at $ 1.1 bn by 2017-18. Because of high population & large proportion of youth in total population number of opportunities in India for QSR are abound. The Food Kiosks industry is one of the key segments of Indian food service market and is growing very fast. Major reasons of its growth are:

a. Younger workforce

b. Changing lifestyle

c. Affordability

d. New Themes and menus by innovative & entrepreneurial ventures

e. Increased working women

f. Growing culture of tasting menu & smaller portions

The New Nonstop Customer Journey

A customer's path to purchase used to be predictable, flowing through the stages of awareness, consideration, evaluation, purchase and use (and then positive or negative word of mouth). However, recent research shows that digital technologies have reshaped this traditional pathway. Specifically, technology has made the purchase journey more dynamic, accessible from multiple points and continuous. Customers expect to control and vary their activities across channels to suit their needs at any given moment. While they may move at different speeds through various stages, they are all digitally enabled. And they can easily compare a company's brand promise with its delivery and decide whether their overall experience with the business and its brand meets their expectations. If it does not, they can readily switch—and they won't hesitate to do so. This may apply to the unorganized sector – Food Kiosks as well, since the customers and the vendors are reasonably knowledgeable, they need to understand the dynamics of the trade.

Analysis

In this section of the study an analysis of prevalent food kiosks in Hyderabad is attempted .It can be said that since most of the kiosks under study are on the road side, assumed to be tax exempted. Resultantly the price of food items is much cheaper compared to the popular brands in the industry. The evolution and growth of the food items is discussed .Some light is thrown on the uniqueness of menus i.e. place of origin like North or South India. The affordability accessibility is analyzed. The consumers' taste and preferences, food trendiness and the change in life-style is also looked into.

Assortment of Food Kiosks

i. Panipuri, Pau Bhaji , Samosa, & Ragdaa Chat ,Jillebi , cart etc:

Is a common street snack in several regions of the Hyderabad , while in North India, it is called Golgappa. Primarily a Rajasthani menu.A hollow puri, fried crisp and filled with a mixture of flavored water. (pani), tamarind chutney, chili, chaat masala, potato, onion and chickpeas. The Hyderabadi name is Ghup-Chup.Pani puri – has been localized i.e tailor made to Hyderabad taste with adding more spice, tamarind to attract Hyderabadi people. It is light, spicy digestive, mostly an evening and weekend menu. It is observed that it is very much popular among the women. Along with Panipuri, fresh Jillebi is also available in the kiosks. Hundreds of carts are found in and around in every nook and corner of Hyderabad. It is also available in the popular brands of north India, established in Hyderabad Delhi wala , Agrawala etc. The pani-puri pricing is fairly cheap on roadside carts and kiosks as compare to branded shops.

ii.Mirchi, Aalu Bhajiya Cart

A much admired snack for the past many decades in the entire Telangana and Andhra Pradesh states .Every nook and corner of Hyderabad has definitely one to two kiosks selling these items. Usually available between 4 p m to 11.00 pm. This snack goes well with the meals and high tea. Basically it is a poor man's snack but equally liked by the middle and rich classes. However the demand for this snack has never dipped despite several new variants of snacks has displaced the age old traditional food habits of Hyderabadis.

iii.Idly,Vadaa , Dosa Cart

Predominantly a South Indian food . Traditional breakfast of Hyderabad - Nahari, khichdi khatta, Kheema ,sabzi parata tranasformed to Idli, Vadaa , Dosa ,Tomato bath ,Uthappa,Puri sabzi etc.The taste has been localized to match the Hyderabadis. Hundreds of kiosks are found in every nook and corner of Hyderabad. Available mostly in the morning shifts or evenings. Off late it has become all-night menu. Again across Hyderabad, particularly in High-Tech city a number of kiosks are found during the lunch time between 1 – 4 pm.Many small time kiosks is trying to build brand in their capacity. Since the night life has grown in Hyderabad, call centre and different shifts' employees catch up with these Kiosks to be on the go. Another interesting trend is observed during the month of ramzan, the Idli-Dosa kiosks make good business in the whole night. The Hyderabadis who routinely do not have Idli-Dosa as breakfast, are particular to purchase the same from these kiosks on weekends and holidays.

iv.Meals (Usually Lunch) cart

Particularly number of kiosks found in High -Tech city during day time between 1p m – 4 pm.Many small time kiosks are trying to build brand in their capacity .Basically South Indian menu.

vi.Shawarma- Chicken & Mutton

Specific segment, cheaper than the fashionable restaurants. Basically an Arabian dish, but made in Hyderabadi taste. Considered as staple food, particularly by foreign students staying in Hyderabad (students from African countries and GCC countries). Apart from Shawarma the other Arabian dishes like Laham Mandi, Qabsa , are also available in the Street stalls. Also equally popular among the Hyderabadis.

vii. Chicken Tandoori ,Noodles Carts

A Chinese Snack. Again made in local taste i.e., Hyderabadi.A very specific segment i.e., youth is targeted. Since most of these stalls and Kiosks are on the road side, exempted on taxes –hence price is less than the popular restaurants or food joints. Readily available but only in the evenings between 7 pm -1.00 am, High on calories, fats and very Spicy. It is very much trendy among the youth and student community. Served in the vehicles as well. People cherish this spicy food sitting in their four wheelers.

Competitive Landscape

All the Food items discussed in the study, sold in different formats of Outlets; Kiosks, street Stalls and Quick service restaurants have various challenges in Marketing. Critical factors like roadside location, low priced, accessibility and changing life-styles are common to all the vendors mentioned above.

CONCLUSION

It can be said that Hyderabad's Food Kiosk market is widely fragmented. It is suggested that there is a need to focus on the potential for comparison in cross-cultural food habits among the locals and the new settlers. This intra-nation migration has certainly changed the culture and affected the mindset as well, which provides scope for further research. Since Hyderabad has a metro culture, people are quick to experiment the new kiosks with the fast pace of information, the word of mouth of any new or trendy kiosk spreads within no time. Resultantly people immediately start patronizing the new entrant in the market.

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GREEN MARKETING: EMERGING TRENDS, CHALLENGES AND OPPORTUNITIES IN INDIA

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ABSTRACT

In today's business world, we are concerned about environment. Some businesses have been quick to accept concepts like environmental management systems and waste minimization and have integrated environmental issues into all organizational activities. In this way became an important strategy in organizations. Thus green marketing plays an important role to promote and reinforce the idea of environmental protection and sustainable development in the minds of the firms and customer. Many global players in diverse business are now successfully implementing green marketing practices. Green marketing incorporates a broad range of activities, including product modification, process change, packaging changes, as well as modification in advertising. This is a Key factor which is developing important place in the modern market trend. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. This research paper discusses how businesses have increased their rate of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper examines the present trends of green marketing. The paper identifies the three particular segments of green building activity and explores the challenges and opportunities businesses of green marketing. The paper also examines the present trends of green marketing in India and describes the reason why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.

INTRODUCTION

Now a day's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. So, Green Marketing promotes the environmental benefits of products or a company's sustainability initiatives, Green Marketing incorporate a broad range of activities starting from modification of product and packaging. In simple ways, it refers to the process of selling products and services based on their environmental benefits i.e. product may be environmental friendly. Green Marketing means the combination of two words i.e. Green and marketing, it is an eco-friendly idea for the need for quality, performance, suitable price and convenience without having a detrimental effect physical on environment.

Review of literature

According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

Unruh, G. And Ettenson, R. (2010) in their research article titled, Growing Green: Three smart paths to developing sustainable products. Published in Harvard Business Review, is for executives who believe that developing green products make sense for their organization and need to determine the best path forward. The authors have introduced and described three broad strategies that companies can use to align their green goals with their capabilities

Green products

The products those are manufactured through green technology and that caused no environmental hazards are called green products. We can define green products by the following ways:

- Products with natural ingredients,
- Products contents under approved chemical,
- Products that will not be tested on animals,
- Products containing recycled contents, non-toxic chemical,
- Products those are originally grown,
- Products that do not harm or pollute the environment,
- Products that have eco-friendly packaging i.e. reusable containers.

OBJECTIVES

1. To focus on the Green Marketing in the areas context with the Indian corporate.
2. To analyze the challenges and opportunities for Green Marketing.
3. To understand the strategy needed for successful Green marketing.

Research Methodology

The study is primarily based on secondary data and information. It is based on the available literature and research material i.e. reference books, Journals, Newspapers and websites.

Golden rules of Green Marketing

1) Know your customer: If you want to sell a greener product to consumers, you first need to make sure that the consumer is aware of and concerned about the issues that your product attempts to address.
2) Empower consumers: Make sure that consumers feel, by themselves or in connect with all the other users of your product, that they can make a difference. This is called empowerment and it's the main reason why consumers buy greener products.
3) Be transparent: Consumers must believe in the legitimacy of your product and the specific claims you are making. The rest of your business policies are consistent with whatever you are doing that's environmentally friendly.
4) Reassure the buyer: Consumers must be made to believe that the product performs the job it's supposed to do-they won't forego product quality in the name of the environment.
5) Consider your pricing: If you are charging a premium for your product and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients-make sure that consumer can afford the premium and feel it's worth it. Many consumers, of course, can't afford premiums for any type of product these days, much less greener ones, so keep this in mind as you develop your target audience and product specifications.

CHALLENGES IN GREEN MARKETING

Like many other developing countries, lack of public awareness and concerns about corruption are considered to be among the top barriers preventing growth of the green market in India, by 48% and 41%, respectively. The challenge of higher first costs is also noted by 35%, but an equal percentage considers lack of political support or incentives a serious obstacle to green. Combined with the importance of environmental regulations among the triggers, this suggests that the market is seeking more incentives as a balance to the regulatory green requirements while adopting the Green Marketing policies, firms many encounters many challenges. These challenges are as follows:

Need for Standardization: It is found that only 5% of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labelling and licensing.

New Concept: Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India's Ayurveda heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

Cost Factor: Green marketing involves marketing of green products/services, green technology, green power/energy for which a lot of money has to be spent on R&D programmes for their development and subsequent promotional programs which ultimately may lead to increased costs.

Convincing customers-The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labelling schemes. Eco-labelling schemes offer its approval to environmentally less harmless products. In fact the first eco-label program was initiated by Germany in 1978. Sometimes the customers may also not be willing to pay the extra price for the products.

Sustainability- Initially the profits are very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run. Hence the business needs to plan for long term rather than short term strategy and prepare for the same, at the same time it should avoid falling into lure of unethical practices to make profits in short term.

Non Cooperation- The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times it may fail to convince them about the long term benefits of Green marketing as compared to short term expenses.

Avoiding Green Myopia

The first rule of Green Marketing is focusing on customer benefits. It is not going to help if a products is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. So it will lead to Green Myopia. In short firms using green marketing must ensure that their activities are not misleading to the consumers or the industry, and do not breach any of the regulations or laws dealing with environmental marketing. The green marketing claims of a firm must do the following in order to overcome the challenges:

Consumer Attitude Vs Behaviour: Worldwide consumers have become environment conscious. Some scholars believe that consumers are ready to pay premium for green products because they often prefer attributes over traditional product attributes i.e. price and quality.

Patience and Perseverance: The investors and corporate need to view the environment as a major long term investment opportunity. The marketers need a look at the long term benefits from this new green movement.

Information Disclosures: The potential challenge in front of the firms/products is firstly, all information regarding greenness must be an adequate and reliable and secondly these should not be false unsubstantiated claims. Now it has become the duty of central and state government to see what claims are permissible.

Opportunities of Green Marketing

- Competitive advantages
- It ensures sustained long term growth along with profitability.
- Increasing the consumer base.
- Government legislation and receiving subsidies from Govt.
- It helps companies market their products and services keeping the environmental aspects in mind.

- Reduction in cost.
- Corporate social responsibility.
- It saves money in the long run, through initially the cost is more?

Present trends in Green Marketing in India

- Reduce production of harmful goods or by products.
- Modify consumer and industry's use and/or consumption of harmful goods; or
- In order to get even with competitions claim to being environmentally friendly. Firm charge over to Green Marketing. Result is Green Marketing percolates entire industry.
- Use the fact that they are environmentally responsible as a marketing tool.
- Become responsible without promoting this fact. Government Bodies are facing firms to become more responsible.

Green Building Activity and Trends in India

Environmental regulations have helped the green building market in India to flourish, especially in the private sector. However, India faces challenges typical of developing countries, including the lack of public awareness about green and concerns about corruption, and respondents from India see the need for more public incentives.

Growth in green involvement in India

India Environmental regulations are also an important driver for the growth in green building anticipated in India. However, respondents express concerns about the lack of public awareness and the need for public incentives for the green market to continue to flourish, similar to many other developing nations. India faces challenges typical of developing countries, including the lack of public awareness about green and concerns about corruption, and respondents from India see the need for more public incentives.

Sectors with Expected Growth

India significantly exceeds global averages for anticipated activity in two sectors: new commercial buildings and new high-rise residential buildings. However, by 2018, that share is expected to be 57%, the second highest among all of the countries included in the survey. The high green share is the result of an anticipated shift in activity toward a very high level of engagement with green. While 20% of respondents from India currently report that more than 60% of their projects are green, over half (52%)

of all Indian respondents expect to be that engaged with green building by 2018. This increase makes India a particularly strong market for green building products and services

Expected Business Benefits of Green Building in India

	New Green Building	Green Retrofit
Decreased Operating Costs Over One Year	10%	11%
Decreased Operating Costs Over Five Years	15%	16%
Payback Time for Green Investments (Years)	4	5

SUGGESTIONS

Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. There are some suggestion that an organizations should implement for catering challenges of green marketing and successful exploitation of green marketing. Those are: Consumer needs to be made more aware about the merits of Green products. It is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. It should be made sure that the consumer is aware of and concerned about the issues that your product attempts to address. Green Marketing campaign and green advertising is good step toward it. Consumers must be motivated to switch brands or even pay a premium for the greener alternative. Make sure that consumer feel that they can make a difference. Make sure that consumer feel that they can make a difference. This is called empowerment and due to this main reason consumers will buy greener products. Further steps should be taken to control false promise and claim by the marketer to maintain legitimacy and trust worthiness of green products. Consumers must be made to believe that the product performs the job it's supposed to do-they won't forego product quality in the name of the environment.

CONCLUSION

Green Marketing is the best option for this scenario to develop the actual advertising campaign itself. With the threat of global warming looming large, it is extremely important that Green Marketing becomes the norm rather than an exception Green Marketing assumes even more importance and relevance in developing countries. Green Marketing looks at how marketing utilizes the resources which are limited while satisfying consumers unlimited wants as well as the industry. The greening of business is not fad it's a fundamental change in how commerce is conducted given the new energy and climate realities. Lastly, consumers, industrial buyers and suppliers need to pressurize effects on minimizing the negative effects on the environment. In this way it is concluded that Green Marketing assumes even more importance and relevance in developing countries like India for the success of Green Mantra and creating the awareness regarding it, publicity is also essential. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Green marketing assumes even more importance and relevance in developing countries.

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DIGITAL FOOD MARKETING TO CHILDREN AND YOUNG PEOPLE AND ITS AWARENESS AMONG PARENTS - A STUDY IN HYDERABAD.

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ABSTRACT
In an age when people use Twitter rather than the newspaper for the latest updates, digital media is overpowering traditional media in many ways. Things are no different when it comes to marketing, where businesses are leveraging the advantage of new-age media solutions to enhance business impact and build their brand. Today, paid media (e.g. TV, radio or print commercials) are not seen as being on par with earned media (e.g. third-party blog posts, etc.) or owned media (e.g. company websites).Given the success of digital and social media platforms, these media are no longer considered ‘path-breaking’; rather, they are now seen as ‘standard’ marketing channels. Although eating habits and the causes of obesity are complex and are affected by many factors. This research identifies that the cause of obesity in children and young people is their attraction towards HFSS food advertised through digital marketing tools.

Keywords: mobile apps, digital medium, online Marketing

INTRODUCTION
Digital marketing is the promotion of products or services via one or more forms of electronic media other than Broadcast media. Digital Marketing is often referred to as ‘Web Marketing’, ‘Online Marketing’ or ‘Internet Marketing’. However the term Digital Marketing has become very popular overtime particularly in certain countries. But in U.S, it is still called as Online Marketing. In Italy it is referred to as Web Marketing. In U.K and other countries it is a common practice to call it as Digital Marketing after 2013.Digital media helps brand to reach customers in a personalized way. It is noted that the marketing budget is expanding. According to World Economics, 2015 digital media is growing tremendously and the traditional media is declining. Digital marketing is an umbrella term for the marketing of brands using digital technologies, which not only includes the Internet, but also mobile phones, display advertising, and any other digital medium. Digital marketing differs from traditional marketing in that it involves the use of channels and methods that enable a company to analyze marketing campaigns and understand what is working and what isn’t – typically in real time.Infact search engine marketing, e-commerce marketing, social media

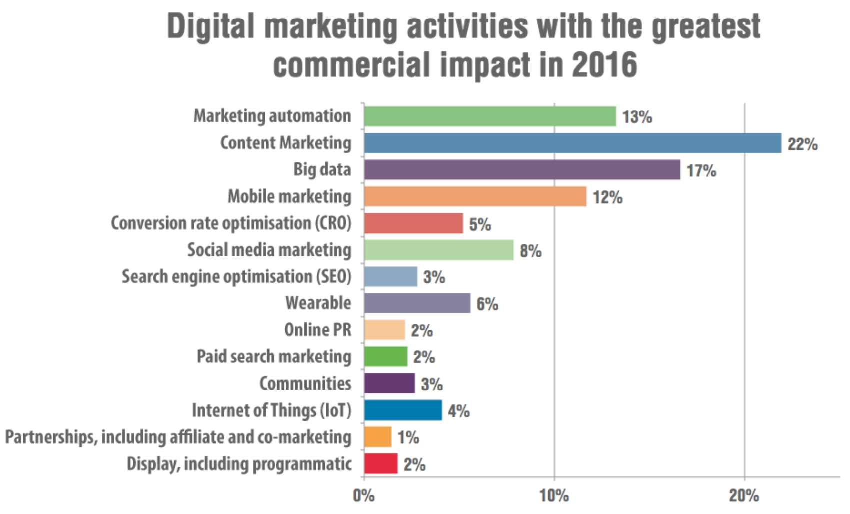
marketing and content marketing are becoming more and more common in this digital era. It also extends to non internet channels that provide digital media such as SMS (simple messaging system). Digital marketers monitor things like what is being viewed, how often and for how long, sales conversions, 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.

IMPORTANCE OF DIGITAL MARKETING: It's not enough that the company knows their customers; infact they must know them better than their competitors so that they can communicate with them. The company should know where, when and how their customers are most receptive to their messages. To do that, an organization needs a consolidated view of customer preferences and expectations across all channels – Web, social media, mobile, direct mail, point of sale, etc. Marketers can use this information to create and anticipate consistent, coordinated customer experiences that will move customers along in the buying cycle. The deeper is the company's insight into customer behavior and preferences, the more likely that the managers can engage them in lucrative interactions.

Today's consumers are more knowledgeable and tech savvy. Digital media is so pervasive that consumers have access to information any time and any place they want it. Gone are the days when the messages people got about organizations product or services came from the company which produces it and consisted of only what the company 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 customers are more likely to believe these groups than the company. Customers want brands they can trust, companies that know them, communications that are personalized and relevant, and offers tailored to their needs and choices. Face book group in 2013 began Food Talk India with only 50 people on the list who loved food and wanted to chat about what they try new and where they go out to eat in New Delhi. Within six months the number had grown to 18000 in six months. This shows tremendous growth in tech savvy consumers and their dependent on Digital media.

Digital marketing performance indicators

Take a look at the graph from the survey, 'Digital marketing activities with the greatest commercial impact in the year 2016:



Source: Survey by smartinsights.com

Marketers believed that the most promising Digital marketing activities of 2016 are content marketing, marketing automation; Mobile marketing and Big data. They are considered as the most promising digital marketing tools. However Marketers face new challenges and have many opportunities to explore and increase their digital marketing campaign. It is predicted that content marketing is going to be the upcoming Digital marketing strategy. Currently the marketers are focusing on articles than on interactive content.This is because content such as podcasts, info graphics, videos and slide shows takes comparatively longer time to produce than curated articles. Therefore the internet is flooded with millions of articles. But when one analyzes the situation from Users point it can be seen that the consumers would rather like to watch an engaging video than to read a 3-4 page article. The firm can have a win-win situation if it has fewer articles and more interactive content. Marketers can beat the competition by creating more interactive content. Earlier creating such content was time consuming and tiresome. But today it's easy with availability of online and offline tools.

Aims of this study

It has been observed that the basic knowledge is missing about digital food marketing that children and young people are exposed to in Hyderabad, and about parent's knowledge and attitude on this topic.

1) This study aims at identifying the digital food and drink marketing directed at children in Hyderabad.

2) It focuses on the parent's awareness and views in Hyderabad of Digital food marketing.

3) Is it ethical to advertise HFSS foods through digital media to children and young people in Hyderabad?

Research Methodology

The study is exploratory and descriptive in nature. A structured Questionnaire with closed ended questions was used to collect information from respondents. Likert's five point scale was used to record responses. Random sampling technique was used to select the sample from the population. The data was collected from 278 respondents who are the parents of children in the age group of 12-16 years. The questionnaires were also sent through mails and the respondents have sent the filled in questionnaires to the researcher. Out of 300 questionnaires the researcher was able to receive only 278 completely filled Questionnaires, thus making the sample size as 278.

Review of Literature

Although eating habits and the causes of obesity are complex and are affected by many factors, systematic reviews of research have consistently found that food marketing plays an independent causal role (Cairns, 2013; Cairns etal., 2009; 2013; Galbraith-Emami &Lobstein, 2013; WHO, 2016).The media landscape has been changed profoundly by digitization, as have marketing activities (Mulhern, 2009), and marketers report that digital marketing has a powerful capacity to amplify advertising effects. Face book reports that its ads increase target audience reach, ad memorability, brand linkage and likeability, compared to television alone (Facebook, 2015), and Face book ads across 14 campaigns generated nearly triple the ad recall compared to control groups (Gibs & Bruich, 2010) Marketers take advantage of these rich digital data to create'unprecedented intimacies' between them and children (Montgomeryet al., 2012 This is a concern as Australian research has found that teen boys are more vulnerable to ads for unhealthy foods (Cancer Council Australia, 2015), and hence may be targeted more than girls.

Analysis

Parents' awareness and views about digital food marketing

The research found that the parents were aware of food advertising done on TV and outdoor media. But only few parents were aware of food advertising about HFSS done through Digital media. Though the parents had a positive orientation towards advertising but they felt that the teens saw too much advertising. Moreover the kids and the young people in Hyderabad were influenced by these ads for foods high in salt, sugar and fat and this has been identified as one of the major cause for obesity during this age.

Time spent on digital media

It has been observed that most of parents are of the opinion that their kids spent a lot of time playing games online, watching videos on YouTube and the other social media and get tempted with those ads on food which has high salt, sugar and fat content. Moreover they pressurize their parents to purchase these foods which actually are the major cause of obesity and cancer. The Marketers find these digital media as the most successful advertising tool to reach the target audience as it has image appeal, exclusivity appeal and can boost the company's profitability. It has been observed that most parents talk to their children regarding food advertisement and they also tell their children that these ads don't always tell the truth and it just try to sell products to its target audience. Moreover very few parents are aware of online advertisement and they insist their kids not to click on ads 'online or use an ad blocker. A very few respondents insisted their kids to click to 'skip ads online.

Awareness about HFSS content food

Parents talk to children about general advertisements and never knew about the advertisement targeted to kids about HFSS food. These ads have a lasting impression in the minds of the target consumers and they demand such food to their parents. These foods are high in fat, sugar and salt content which have been identified as one of the major cause of obesity in kids.

Parent's opinion on digital food advertising

Though the parents believed that advertising is a useful source of information, but teens see too much advertising and are falling prey to unhealthy food habits. Parents believed that food advertising is a major cause of bad eating habits in kids. Parent's are of the opinion that if unhealthy foods are not advertised, their teen's eating habits would have improved. Food ads for sweets, chips and drinks should be banned completely. Children and youngster should not see ads for foods that are high in fat, salt or sugar. This can greatly help to tackle the problem of obesity which has actually reached the alarming stage. Kids are influenced by ads for hot dogs, chips, wafers, mountain dew, colas, kurkure's etc.

CONCLUSION

It has been observed that the websites of food and drink retail brands have much content directed at children and young people. Face book is a single platform which is very popular with children and young people in Hyderabad and is also a location where advertisers are very active. Moreover it has been identified that the parents are largely unaware of Digital marketing efforts directed to their children. Even though the parents discuss with their kids on how they spend time in watching TV, Playing Digital games and on Social media sites but had little awareness of food marketing online which influence their kids in purchasing HFSS food. This is ultimately affecting their kids by making them obese. Generally parents felt that the interactive digital marketing tools like branded apps and games were meant for enjoyment and did not constitute advertising. When the researcher explored the parents view it has been observed that the parents were shocked that their children are vulnerable to social dynamics and emotional appeals of digital food marketing. Parents of young teens in Hyderabad are largely unaware of this marketing directed at their children in digital media. And they felt that the responsibility lies with them to help children make good food choices.

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DIGITAL-MARKETING: ISSUES AND CHALLENGES

………"Great content takes a lot of hard work and time to create."

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Digital marketing is a strategy that helps to build up one's reputation and exposure by using a variety of internet tools and solutions. Since the arrival of the internet, the face of the marketing and advertising business has dramatically changed. With the increasing number of products and services, digital business has become a growing industry with fair chances of good profits. People feel easy to login to the digital websites directly through providing apps and when used effectively, digital marketing campaigns and strategies have the potential to reach consumers in a speedy and low cost manner and can provide promotion for a wide range of products and services to the customer and consumer across the continents. In this paper, an attempt has been made to discuss the issues and challenges are associated with digital marketing.

KEYWORDS: - Digital marketing, Social Media, Digital Marketing Apps

INTRODUCTION

A digital marketing is marketing that makes use of electronic devices like cell phones, tablets, smart phones, computers, laptops etc., to engage with stakeholders. Digital marketing applies technologies or platforms such as websites, e-mails, apps and social networks. The rapid growth of digital marketing industry is a direct consequence of the global phenomenon that is the internet, and effectiveness of digital marketing channels in generating revenue and awareness. Compared to traditional methods of advertising digital marketing offers rather realistic costs particularly important for small and medium size businesses is to accurate targeting and excellent reporting. The development of digital marketing has been one of the most important and influential trends in the field of business, marketing and Information Technology offer the past decade. Now in present global market every business is competition to others to become a successful business man. A digital marketing plays a vital role for gathering the consumer through online directly and also easy to purchase the products without any middlemen. Consumer also easily purchasing the products with their requirements in the present global market. A digital marketing provide lot offers to reach the consumer to purchase their products easily and quickly without wasting our valuable time. Especially teenagers have anxiety to purchase the online products through digital marketing. In spite of all the advantages and conveniences of digital marketing. There are many issues and challenges which need to be addressed to make it a best activity.

DIGITAL MARKETING

Digital marketing is a broad term, it refers to various and different promotional techniques deployed to reach customers through digital technologies. Digital marketing 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.

IMPORTANCE OF DIGITAL MARKETING

While running a business offline experience only moderate success, but when it comes to online expanding business largely in quick time. Specific roles of digital marketing as

- Global reach - a website can reach anyone in the world who has internet access. This allows you to find new markets and compete globally for only a small investment
- Low cost- a properly planned and effectively targeted digital marketing campaign can reach the right customers at a much lower cost than traditional marketing methods.
- 24/7 marketing- with a website your customers can find out about your products even if your office is closed.
- One-to-one marketing – digital marketing lets you reach people who want to know about your products and services instantly.
- Effective Personalization - if your customer database is linked to your website, then whenever someone visits the site, you can greet them with targeted offers. The more they buy from you, the more you can refine your customer profile and market effectively to them.

OBJECTIVES OF THE STUDY

1) To study digital marketing evolution.
2) To study the issues and challenges of digital marketing in 2016

REVIEW OF LITERATURE

Content Marketing ROI: Many marketers are struggling to show the ROI of their content marketing efforts. Marketers from the agency side, for example, shared that some of their clients want to know how many conversions can be attributed to a specific piece of content or channel. Often times these are brands whose digital conversion paths cannot be tracked or analyzed. To combat this, marketers use a purchase intent model that assigns different weights to customer interactions with a piece of content, but they admit that this model isn't perfect. For other marketers, their biggest challenge is tying content to conversions and defining relevant, appropriate metrics to measure and evaluate the impact their content marketing programs make on the business' bottom line.

Video Virality: The cost of guaranteeing that messages are seen is becoming increasingly more expensive, and the industry needs to be prepared for the increased cost. Other marketers are facing time and resource constraints to produce quality videos. Some marketers also struggle with building out a sustainable video content strategy that can product videos which can live and scale across multiple markets.

Consistent Content Operations: Different teams and organizations within a company all produce content to support various programs and channel them own, and this creates content quality and consistency issues. Marketers are looking to manage and govern their content creation process more efficiently to ensure all content produced is compelling, consistent and effective for their target audience.

Credibility And Authority: For many marketers, they struggle with finding and establishing a credible and authoritative voice for their brands, and cutting through the noise to capture their target audience's attention. The financial space, for example, is filled with "experts" offering advice and insights to consumers, which makes it extremely difficult for brands to stand out with their content. Marketers are thus looking to develop an effective content strategy that will allow them to maintain the brand's identity and boost marketing ROI, while improving their brand's authority and thought leadership in the space.

Budget

Budget remains one of the top challenges marketers face when it comes to justifying the cost and investment in their content marketing programs. Many senior leaders compare content marketing to more mature marketing programs and channels that have a more linear or positive ROI, which makes it very challenging to fight for budget toward content marketing.

Approval Processes

Marketers on the agency side shared the same sentiment when it comes to their client approval process being too long. Some stakeholders want to provide input at every step of the content creation process, which creates bottlenecks and delays in production timeline. For both agency and non-agency marketers, staying timely and relevant with the long, clunky approval processes they need to go through with content creation is one of the biggest challenges that's keeping them up at night.

Branding: Marketers face various branding challenges when it comes to content marketing. Some struggle with maintaining their brand voice as brands expand their in-house teams and outsource content creation to external agencies and partners. Others struggle with maintaining their individual brand identities while working under a bigger umbrella brand.

Volume, Quality And Speed : One of the biggest challenges many marketers share is figuring out how to deliver engaging, compelling content with speed, without compromising on quality and volume. Trying to stay nimble and agile within a large corporate structure also proves to be a big pain point for many marketers.

Strategic Alignment: For many brands, there is a lack of alignment in strategy and messaging across different platforms, which can hurt the customer experience and content marketing success. Cross-team collaboration becomes a big challenge for marketers when individuals and teams are working in silos and towards different visions and goals.

Continuous Learning: The ever-changing marketing landscape means marketers need to dedicate themselves to lifelong learning and innovation to reinvent themselves, or risk extinction. Training their teams on the latest marketing practices is another top challenge for many marketers as they are also trying to navigate the learning curve themselves.

Customer-centric Mindset: This may sound surprising to some, but convincing brands to put customers first is still a challenge many marketers face when creating content. They need to help brands change their mindset about the value of content and understand that content marketing isn't the same as advertising. Content marketing is about being helpful and providing real value to customers, by giving them what they want and need at each stage of the customer journey.

Influencer Marketing: Identifying influencers to help amplify content is another challenge many marketers face with their content marketing efforts. Creating great content is not enough anymore, you need an effective promotion strategy to help customers find and see your content.

We all know that branding and advertising in the digital age are completely different from old media.

- Meeting Consumer Expectation: In a study 15% of digital marketers surveyed said that meeting the expectations of a consumer base that's constantly connected is their number-one challenge. Consumer-generated content can travel faster than ever before, and it's also highly influential in consumer decision-making: 80% of people say they do extensive online research before making a big purchasing decision, while nearly half — 46% — say they rely on social media to do so. It's not just about knowing what consumers want, like, or need right now it's about anticipating trends and demands so that campaign perfectly to create a viral sensation.
- Getting Consistent Results: Another 14% of digital marketers said their biggest issue in staying afloat of the advertising agency world is driving consistently successful campaigns that produce measurable outcome results, such as leads or revenue. Local businesses particularly need to focus on building local results
- Multimedia Channels: Another of the most-cited challenges was the widening proliferation of channels across earned, owned, and paid media, say 13% of digital marketers. There are so many pages on the Internet that simply owning a website won't get you anywhere, and also need to engage in paid content promotion as well as generate social sharing and word-of-mouth. Just like traditional business, it's the customers themselves who can often give the best kind of promotions.

ADVANTAGES OF DIGITAL MARKETING

- A digital marketing goes from planning to execution more quickly.
- Digital marketing is more affordable to deploy than traditional marketing and advertising.
- It provides requirements of people with fast and quickly without wasting of time.
- Digital marketing strategies are more cost effective than traditional marketing.
- Focused digital marketing campaigns most likely attract the prospects that later convert into leads.
- Digital marketing output is easily traceable.
- Cost effective nature and target oriented approach of digital marketing strategies enable the digital media marketer to hit the prospects regularly and repeatedly.

- Use of latest technology in digital media marketing campaigns creates an impression that the marketing company knows about the latest technological development and believes in upgrading itself as per the demand of time.

DISADVANTAGES OF DIGITAL MARKETING

- Many web visitors expect something for free but digital marketing does not provide any free products.
- Easier to have outdated information on internet update timing is a critical issue in digital marketing.
- Other factor is the payment: many users still don't trust in the electronic methods of paying and give up buying online because of this.
- Slow internet connections can cause difficulties. If the companies build too complex or too large websites, it will take too long for users to check them or download them and they will get bored eventually.

MAJOR ISSUES AND CHALLENGES OF DIGITAL MARKETING

- Security for data : Most of the people do not completely trust Web companies and also careful about offering Information about themselves on the cyber space. This is especially true because when companies collect data from customers without proper security of it. There is every chance of exposed with spammers and scammers.
- Lack of trust : Identity theft, intrusive advertising and technological glitches have left many mis-trusting of marketing in general, and especially in marketing.
- Intellectual property rights : It has never been easier to steal someone else's hard work. Everything from music, to software and images are lifted from the Internet every day. Today most of sites copied once information through other sites.
- Misleading services : Businesses operating online often use electronic methods to provide customer service, such as emailing and posting info on the website to answer user questions. This may be perceived by customers as just too impersonal or uncaring and at times the product shown in add may be different with the one we get
- Being a marketer is more challenging than other: In present global market it is a big task for every business men to challenge the other competitor. Every competitor generally think that how to attract the customers mindset. For this, every business men provide a useful services and identify the needs and wants

of the customer. If any problem is happened then solve that problem immediately as possible.

- Maintaining good leadership : To maintain a better leadership is a effective job for any business men in any organisation. Unlike their counterparts in the global marketers put thought leadership before the customer. This recognition that marketers have a key role to play in meeting wider objectives puts them, arguably, at the heart of the business.
- Provide key opportunities to meet business goals : Almost all marketers have started using a wider range of digital channels in the present global market. Websites and email are still the favourite channels for effectiveness and share of budget. Online video, social media and SEO are the key channels, as they are effective but take up a relatively smaller share of budget. Marketers are less convinced about the effectiveness of mobile, and investment is low.

SUGGESTIONS FOR A BETTER DIGITAL MARKETING

To reach the consumers in global market digital marketing plays effective role for any online stores. The online stores can implement the following:

- By identifying the requirements of people in the present global market and providing better service to make consumers feel happy.
- By providing security for the regular and habitual customers in online purchasing.
- Not to mislead the people with fake advertisements.
- By giving trust for the people who purchase the products online by providing the assurance.
- By maintaining better online sites to comfort the consumer to login easily for online purchase.
- By providing guidelines for the consumer while purchasing the products through online.

CONCLUSION

A digital marketing is clearly shown impacts upon businesses in a number of important ways. When used effectively digital marketing campaigns and strategies have the potential to reach customers in a speedy and low cost manner and can provide promotion for a wide range of products and services in global market. Digital marketing offers businesses the opportunity to gain data about their consumer base to an extent that has been very difficult to achieve through traditional marketing methods. It also empowers dissatisfied consumer to a far greater extent than ever before and can lead to bad reviews that have the potential to greatly destabilize certain digital marketing campaigns and operations. To conclude that digital marketing is on the whole a positive development for businesses and that despite certain dangers its impacts upon businesses has been largely positive.

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MODERN STRATEGIES FOR MARKETING BANKING PRODUCTS

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Since the inception of globalization in India, banking sector has undergone various changes. Encouragement to foreign banks and private sector banks increased competition for all operators in banking sector. Under this development Indian Public sector banks need to reinvent the marketing strategy for their rapid growth. This paper acknowledges with same limitation that private sector banks marketing strategies are quite better than our public sector banks and foreign banks. On the basis of performance of deposits and advances are much better in private banks. The paper also suggests some strategies of or the enhancement of bank marketing. Only those banks will survive in the future which will adopt effective and realistic strategies to win the trust of customers.

KEY WORDS: Banks, Strategies, E-payment systems.

INTRODUCTION

Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. To access a financial institution's online banking facility, a teacher with internet access would need to register with the institution for the service, and set up a password and ther credentials for customer verification. The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility. Customer numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. Technically, the customer number can be linked to any account with the financial institution that the customer controls, though the financial institution may limit the range of accounts that may be accessed to, say, cheque, savings, loan, credit card and similar accounts. The customer visits the financial institution's secure website, and enters the online banking facility using the customer number and credentials previously setup.

Broad Classification of Products Offered by Banks

The different products in a bank can be broadly classified into:

- Retail Banking.
- Trade Finance.
- Treasury Operations.

Retail Banking and Trade finance operations are conducted at the branch level while the wholesale banking operations, which cover treasury operations, are at the head office or a designated branch.

Various types of services Banks

Individual Banking—Banks typically offer a variety of services to assist individuals in managing their finances, including:

- Checking accounts
- Savings accounts
- Debit & credit cards
- Insurance
- Wealth management

Business Banking—Most banks offer financial services for business owners who need to differentiate professional and personal finances. Different types of business banking services include:

- Business loans
- Checking accounts
- Savings accounts
- Debit and credit cards
- Merchant services (credit card processing, reconciliation and reporting, check collection)
- Cash management (payroll services, deposit services, etc.)

Digital Banking—The ability to manage your finances online from your computer, tablet, or smartphone is becoming more and more important to consumers. Banks will typically offer digital banking services that include:

- Online, mobile, and tablet banking

- Mobile check deposit
- Text alerts
- eStatements
- Online bill pay

Loans—Loans are a common banking service offered, and they come in all shapes and sizes. Some common types of loans that banks provide include:

- Personal loans
- Home equity loans
- Home equity lines of credit
- Home loans
- Business loans

REVIEW OF LITERATURE

Ron, Elizebeth (2006) this paper explains Debit card use at the point of sale has grown dramatically in recent years in the U.S., and now exceeds the number of credit card transactions. However, many questions remain regarding patterns of debit card use, consumer preferences when using debit, and how consumers might respond to explicit pricing of card transactions. Using a new nationally representative consumer survey, this paper describes the current use of debit cards by U.S. consumers, including how demographics affect use. In addition, consumers' stated reasons for using debit cards are used to analyze how consumers substitute between debit and other payment instruments. We also examine the relationship between household financial conditions and payment choice.

AFROZA PARVIN1 MD. SHAJAHAN HOSSAIN(2010)this paper explains Banks are the financial institutions that provide different services through deposit products, loan-products, etc. Debit card is one of the prominent card services related to deposit-products, which offers customers 24- hours banking access, such as cash withdrawal, purchasing of goods and services, etc. of banks in Bangladesh are satisfied. Findings reveal that on an average debit card users are satisfied. Regarding availability of Taka in the ATM booth, users are most satisfied and regarding network service users are least satisfied. By improving network service, providing receipt after transactions and solving of problems promptly, banks can make their debit card users fully satisfied.

Shushma pati(2014) The current study presents an overview of the development of banking in the plastic cards usage trends since these have been introduced in Indian banking sector. The study also highlights the role of these cards as electronic payment tool to be used by customers and discusses the penetration of these cards in replacement of cash and paper money. The Study is been carried out by taking a survey of 100 respondents by non probabilistic convenience sampling method from a city of Mumbai by using structured questionnaire and interview technique. The factors for adoption of plastic money in replacement of cash and paper money have been identified which shows the preference of the customers for plastic cards over the cash and paper money.

OBJECTIVES:

1. To study the advantages and limitations of E-banking.
2. To evaluate the Deposits and Advances in all the commercial banks.
3. To evaluate selected payment systems in E-banking like credit cards and debit cards.
4. To understand the different strategies applied to E-banking.

Research methodology:

The present study is descriptive in nature. The data used for the study is secondary.

Sources: data collected from RBI Bulletin, journals, books.Tools: Averages, Growth Rates and analysis of data.

OBJECTIVES:

1. To study the advantages and limitations of E-banking

E- banking imporatance : understanding e-banking is important for several stakeholders, not least of which is management of banking related organizations since it helps them to derive benefits from it. The Internet as a channel for services delivery is fundamentally different from other channels sych as branch networks, telephone banking or automated teller machines (ATM). Choice and convenience for customers: In the fierce battle over customers, providing a unique experience is the compelling element that will retain customers. Most of these aspects of cutomer service cannot be automated. The adequacy of staff members serving customers can be expected to directly influence the customer’s satisfaction. However , e-banking backed up by data mining technologies can help better understanding customer’s needs and customizing products/ services to those needs.

Attracting High value customers: E-banking often attracts high profit customers with higher than average income and education levels, which helps to increase the size of revenue streams.

Challenges in e-banking: Based on ‘ best practices’ in developed countries, United nations conference on trade and Development (UNCTAD) report has identified four challenges that developing countries, in general, are expected to overcome to achieve the advantages that e-banking initiatives can bring about.

The ability to adopt Global Technology to Local Requirements: An adequate level of infrastructure and human structure and human capacity building are required before developing countries can adopt the global technology for their local requirements.

2. To evaluate the banks group wise volumes (deposits & advances)of all the banks

Banks Group – wise volumes of Deposits of Scheduled Commercial Banks
Table 1: Data (billions & percentages)

Years	2012	2013	%	2014	%	2015	%
SCBs & Associates	13198960.00	5245803	15.5	17116908.	29.68	19552169	48.1
Nationalised Banks	32081999.30	36885735	14.9	41685282.	29.9	45472836	41.7
Foreign Banks	2707653.90	2806173	3.6	3454359	21.6	3944052	45.6
Private Banks	10978490.00	1314929	19.6	14967939	36.3	17573147	60.0

Source: RBI & calculated information

From the above data we can interpret that among the banks deposits of SCBs & Associates are increasing y-o-y there is a growth rate from 2012 as base year to 2015(48.1%).
From the above data we can interpret that among the banks deposits of SCBs & Associates are increasing y-o-y there is a growth rate from 2012 as base year to 2015(41.7%).
From the above data we can interpret that among the banks deposits of SCBs & Associates are increasing y-o-y there is a growth rate from 2012 as base year to 2015(45.6%).
From the above data we can interpret that among the banks deposits of SCBs &

Associates are increasing y-o-y there is a growth rate from 2012 as base year to 2015(60%).

Analysis of information:

From the above data we can interpret that among the banks Advances of SCBs & Associates are increasing y-o-y there is a growth rate from 2012 as base year to 2015(41.49%).

From the above data we can interpret that among the banks Advances of Nationalised banks are increasing y-o-y there is a growth rate from 2012 as base year to 2015(37.06%).

From the above data we can interpret that among the banks Advances of Foreign banks are increasing y-o-y there is a growth rate from 2012 as base year to 2015(40.63%).

From the above data we can interpret that among the banks Advances of private banks are increasing y-o-y there is a growth rate from 2012 as base year to 2015(61.68%).

3. To evaluate the volume of credit cards and debit card at ATMs and POSs.

Number of Credit Card Data of all banks at ATMs and POSs

Table 3: Data (lacs & percentages)

Years	ATM	%	POS	%
2012	2467552	-	376295806	-
2013	3132605	12.69	451675150	12.00
2014	3513276	11.21	571113216	12.64
2015	5455475	15.52	739109119	12.94

Source: RBI & calculated Information

Number of Debit card Data of all banks at ATMs and POSs

Table 4: Data (lacs & percentages)

Years	ATM	%	POS	%
2012	5287706433	100.00	426906503	100.00
2013	6097700733	15.31%	661736571	55.00%
2014	6185479044	16.97%	724469186	69.70%
2015	7735796312	46.29%	1064726573	149.04%

Source: RBI

4 . To understand the different strategies applied to E-banking

1. Quickly embrace technology that adds value. This is of extreme importance if your long-term business growth requires attracting millennials whose habits rely more on clicks than bricks. The technology that allows us to deposit checks by taking a picture of the check on our phone has been around for about 5 years.

2. Understand and improve your process flow. The purchase and installation of a system that, with the help of many others in the Bank, enabled him to develop a process map of their commercial lending process. This has helped the lending team identify a number of areas where hand-offs were not smooth. This resulted in a longer than needed cycle time between identification of a customer requirement and funding a customer's loan. Have you mapped your core processes from your customers' perspective?

3. Do your facilities enhance your brand? Many bank branches have, from the customers' perspective, been designed to reinforce the power of the bank and the banker. For the casual user or millennial, options from other banking channels appear more customer friendly and easier to deal with. Is your facility easy for customers to navigate, finished in materials that are aligned with your image and externally communicating an image that resonates with customers and employees?

4. Do your products reflect your customer wants? Bank customers aren't accounts or dollars and cents; they're people with needs and concerns. By truly understanding their needs and crafting your products and services in ways that uniquely meet these needs, you will gain enthusiastic customers (fans) and differentiate from your competitors. Northeast Savings leveraged client insights to become the first bank in the country to offer a CD product that allowed early withdrawal without penalty and with competitive CD yields. This banking product was based on the insight that their customers' primary concern was their health, closely followed by having access to money to handle their health needs. The product was a rousing success.

5. Is your staff adding value for your customers? With the volume of traffic decreasing in branches due to the shift of banking transactions to home computers and mobile devices, many banks have responded by cutting customer facing tellers. Some progressive banks are moving to teller cash recyclers, machines that accelerate the transaction speed and free staff to act as customer service representatives (CSR's) able to engage in a deeper discussion with customers about their banking needs. By shifting the interaction from a process to a discussion, tellers are now able to identify customer needs and open CD's, Credit Card Accounts, Checking Accounts and probe for other banking services that may be needed.

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ROLE OF SOCIAL MEDIA IN TODAY'S ORGANISATIONS

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ABSTRACT

Employees are regarded as assets of the organizations. They play a great role to make organization succeed in this ever challenging environment. Economies and organizations are in continuous change where the reliance on manual workers is shifting to knowledge workers. Digital literacy and internet connectivity has become a mandatory skill in life not just for the employee but also organizations, business is therefore at a cross road marked by a disruptive change .Today we cannot go about our everyday lives without encountering some form of social media. Although social media is in the top of the agenda for many companies to date, there seems to be very limited understanding of the usage of social media for work purposes. The aim of this conceptual paper is to examine the relevance of collaborative technology such as social media to employee productivity and discuss the significance, challenges and constraints of social media in the workplace. Based on previous studies, it was found that the use of social media has a positive impact on employee productivity, two-way communication and effective collaboration. Nonetheless, several other studies found the opposite as it was somewhat difficult to make direct correlation between productivity and social media. Thus, organizations should establish appropriate policies at workplace and determine to what extent the social media sites are useful for job purposes. In general, organizations should work with, not against social media because organizations that fight the advancing technology are combating a losing battle.

Keywords: employee productivity, social media, workplace, Hawthorne Experiments

INTRODUCTION

The Internet has provided a new paradigm for communication and empowered millions of people to network socially beyond the confines of geographical proximity. Online social networking has moved from a niche phenomenon to mass adoption (Wang 2009). Social media: includes web- and mobile-based technologies which are used to turn communication into interactive dialogue among organizations communities and individuals. It also includes various methods such as social networking, user-sponsored blogs, multimedia sites, company-sponsored websites, collaborative websites, podcasts, etc. From the business perspective for any business, effective networking is an essential component to success (Kelley 2010). Today's social media tools are bringing rapid change to organisational communication and public relations. These technologies have shifted the emphasis of internet services from being consumption-based towards becoming interactive and collaborative, creating new opportunities for interaction between organisations and publics (Henderson and Bowley 2010). Social Networks in the workplace provide employees with new ways of interacting with their customers and their co-employees for questions and information sharing (DiMicco, Geyer, Millen, Dugan, & Brownholtz, 2009). Today's business world has been faced with momentous challenges on a global scale ranging from financial crisis, ever increasing competition, dwindling and unpredictable flow of natural resources, raising cost and reduced profits. Revitalizing and possibly even reinventing the culture of organizations and the way they do business is the key to achieve increased levels of workplace productivity and employee satisfaction.

Need for the study

The popularity of social media has grown as a result of the rapid changes in technology as computers are now more mobile and can be used virtually anywhere. Companies are increasingly using social media as a new way to reach customers more effectively and to spread news of their activities more rapidly. The ubiquitous use of social media has also brought new challenges to today's workplace. One of these is the apparent addiction that the Millennial generation has to Facebook and other social media applications like Twitter and Instagram. Employees are spending more time on social media engaging in non work related activities such as creating personal networks, checking on family and friends, streaming and downloading music and video, checking sports scores, following social bookmarks. With the explosion of the social media phenomenon making it part of daily life to many people, there is need for studies on ways to strike a balance between social media use and its effects on employee productivity in terms of use of organizational resources and time.

Research Questions

Q1: Is usage of social media by the employees an hindrance to the employers?
Q2: Why is social media to be encouraged?

Review of literature

Social media has continued to have a dramatic effect on our society and the way that people communicate, interact, and define relationships by encouraging users to co-create and share information with others. According to Cavico, Mujtaba, Muffler, and Samuel (2013), “social media consists of web-based internet networks where users can share information and communicate with other users in a collective manner” (p. 26). Smith (2012) defined social media as “social interactions using technology (such as the internet and cell phones) with any combination of words, pictures, video, or audio” (p. 24). According to Smith (2012) this interactive process allows users to “communicate, socialize, sharing email, documents, pictures, video, audio files, and do each in a number of different ways” (p. 24). Social media has created various platforms, such as Facebook and Twitter, which have completely transformed the way that friends, family, co-workers, etc. communicate on a day to day basis. Fischer and Reuber (2011) describe Facebook as “a social networking site” that has allowed for more efficient communication between friends, families, colleagues, and coworkers. Facebook has become the fastest growing and most popular social media website since it was founded in 2004. Twitter, founded in 2006, has also gained a significant amount of attention due to its “ability to communicate in real-time short messages”, which enables users to “relate by ‘tweets’” or messages consisting of 140 characters or less (Waters & Williams, 2011, p. 354)

The HR then and the changing role of HR today:

The underlying Myth by Aristotle is “Man is by nature a social animal; an individual who is unsocial naturally and not accidentally is either beneath our notice or more than human. Society is something that precedes the individual. Anyone who either cannot lead the common life or is so self-sufficient as not to need to, and therefore does not partake of society, is either a beast or a god. ” In the past Centuries, The Hawthorne effect refers to a phenomenon whereby individuals improve or modify an aspect of their behavior in response to their awareness of being observed. In other words, it refers to an increase in worker productivity produced by the psychological stimulus of being singled out and made to feel important. The original “Hawthorne effect” study suggested that the novelty of being research subjects and the increased attention from such could lead to temporary increases in workers’ productivity.

Mayo’s and Landsberger’s work became one of the foundations of industrial psychology. Academics in this field understand that interpersonal factors and the dynamic social relationships between groups must be assessed when performing any type of social analysis. And today’s HR Technology has changed the business world many times over. In the Information Age, the advent of computers and the Internet has increased that impact significantly. Many businesses cannot even function without the use of computer technology. This impact is seen in nearly all areas of business, including human resources, where technology continues to have a significant impact on HR practices.

Social media usage at work place – boon or bane

From the organizational perspective, a social media site is the quickest way to collect information. "Organizations are actively leveraging the power of social media networks to find new business opportunities, new groups of like-minded individuals and organizations, and new sources of industry specific wisdom, advice and expertise". Social media tools can facilitate job applicants to their assessment procedures and e-recruitment methods reduced the hiring costs in comparison to common traditional recruitment tools like newspapers. Thus, using social media sites for recruitment can make an outstanding impact to the reduction of the recruitment costs and employee productivity as well. (1) According to Wilson (2009), there are five principal risks that organization has in regard to social networking: perceived loss in staff productivity, data leakage from staff gossiping freely in an open environment, damage to a business's reputation, scam practiced by cyber crooks, and the open access to organization's information due to outdated passwords.

CONCLUSION

Social media stimulates collaboration and knowledge sharing between individuals, which can lead to increased or decreased productivity. it is evident that the group culture in the organizations increase motivation among the employee to work better that fosters employee productivity. Due to technology advancements, the group culture has taken a new wing of social media where people share and manage informal learning, creation and sharing of knowledge, retention of organizational knowledge, and increased productivity and workflow. Organizations today are constantly facing the challenge of contextualizing this phenomenon and its effects on the employees' ability to perform duties assigned to them and the ability to draw boundaries between personal and professional use of organizational information technology resource. Wasting time through internet activities is simple and it is a huge hidden cost to business. But social media should be channelized in an effective way to get maximum results from the employees. The discussion indicates that instead of ignoring the need for responsible guidelines, organizations should begin to define their strategy regarding social media and employee engagement. By doing so, management can take advantage of the benefits offered by these communication channels while mitigating undue risk. Organizations need to embrace social media, sponsor social media platforms, and institute policies, procedures and security to control how these tools are used in the workplace. Uncontrolled and unmonitored social media is a security risk; however, controlled and monitored social media will enrich the organization's work processes, boost collaboration and ultimately enhance collaboration.

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A STUDY ON QUALITATIVE PARAMETERS FOR ENHANCING QUALITY OF MBA EDUCATION

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ABSTRACT

This article reports on an exploratory research effort in which the extent of MBA student learning on specific competencies relevant to effective business performance was assessed. The author focuses on the extent to which differences in student quality learning outcomes may be influenced by the types of instructional delivery Urban vs Rural in a University area. It also notes that rural colleges MBA students self-reported significantly higher scores than urban students on the learning outcomes related to quantitative, and theory skills and higher scores on technology skills than the executive MBA group. Implications for further research are discussed.

Keywords: Qualitative Parameters, Management Education, Skills, Resources, availability.

INTRODUCTION

During the 1990s, there was serious discussion about the need to fundamentally reform higher education more than at any time in the previous100 years (Angelo, 1996). There was growing concern that the escalating cost of higher education was not linked to an increase in educational quality (Bragg, 1995).

In many of the specialized accrediting bodies, such as AACSB International, the focus has now shifted to value-added measures that assess what students have actually learned as a result of their participation in specific courses or in an entire academic program (Davenport, 2001). The course syllabus for each course across the three forms of delivery was the same, and in two of the three learning contexts, the instructors were typically the same. There are no elective courses in the MBA program. Although students graduating from the program receive the same AACSB-accredited degree, an important question remains unanswered:

“Do students receive the same education? This article summarizes the authors' efforts to explore how to answer that question, within the context of the issue of qualitative parameters for enhancing quality of MBA education

MBA program is presented using three forms of delivery, interested in identifying if the learning outcomes, as determined by an established assessment instrument, in each of the three programs were equivalent. The curriculum is approximately the same.

Literature Review

The industrial economies of the world have been transformed into information-based economies creating a greater need for higher education (Levine, 2001). This increase in demand, combined with technological advances, has had a significant influence on the way higher education is delivered. Correspondence courses, audio taped lectures, videotaped classes, online, Web-based courses – all of these technologies have made it possible for education to be delivered in multiple ways to learners throughout the world.

Instruction using such technology is typically asynchronous, allowing students access to course materials whenever time permits and from wherever they may have access to the Internet (Barber and Dickson, 1996). Today, it is possible for students to enroll in and graduate from degree-granting programs at accredited institutions without ever having to be physically present on the campus (Fornaciari, Forte and Mathews, 1999; Kretovics, 1998). We recognize there are many interpretations of what constitutes in rural education.

The research has consistently shown that regardless of discipline (e.g., Availability of library, books, journals etc.), there are no significant differences in the learning outcomes of rural area compared to urban college classroom settings (Haga and Heitkamp, 2000; Levine, 2001; Mulligan and Geary, 1999; O'Hanlon, 2001; Ponzurick, France, and Logar, 2000; Weigel, 2000; Worley, 2000).

OBJECTIVES:

- To study the impact of psychological climate in the institution/college.
- To analyse the effect of introducing case studies in quantitative subjects in MBA syllabus.
- To examine the influence of introducing the job related activities in the syllabus.

Hypotheses:

H01: There is no significant association between the psychological climates in the institution is very conducive and teaching staff and supportive staff enjoys performing their duties and type of college.

H02: There is no significant association between introducing of case studies in quantitative subjects like financial accounting, cost accounting, QRBD(OR), POM, etc., in the MBA syllabus and type of college.

H03: There is no significant association in including job oriented subjects in the syllabus type of college.

H04: There is no significant association regarding colleges giving enough time to students to prepare for jobs type of college.

Data Collection Procedure

The primary data collected through questionnaire designed on parameters like facilities from the management, psychological climate and job opportunities to students, are designed in the form of Likert scale to capture the respondents opinions. The secondary data collected from EBSCO and from internet.

Variable

Psychological Climate: It examines in differences in the perception of institute management, teaching staff and students requirements.

Type of Collages: Urban colleges and rural colleges

Analysis

It may be stated that analysis of data is in from of two groups used SPSS software tool cross-tabs, Chi-Square test and Symmetric measures are run and analysed the results.

Table 1: Chi-Square Test for The psychological climate in the institution is very conducive and teaching staff and supportive staff enjoys performing their duties.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.287a	4	.000
Likelihood Ratio	20.800	4	.000
Linear-by-Linear Association	4.916	1	.027
N of Valid Cases	343		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.29.			

Inference: From the above table chi square is not significant. Since significant value 0.000 < 0.05, the null hypothesis Ho1: Regarding the psychological climate in the institution is very conducive and teaching staff and supportive staff enjoy performing their duties, there is no significant association between urban and rural area colleges is Rejected and the strength of association between the two variables is 0%.

Table 2: Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.243	.000
	Cramer's V	.243	.000
No of Valid Cases	.343		
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Table 3: Chi-Square Test for Case studies in quantitative subjects like financial accounting, cost accounting, QRBD(OR), POM, etc can be introduced in the MBA syllabus

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.726a	4	.102
Likelihood Ratio	7.839	4	.098
Linear-by-Linear Association	2.421	1	.120
N of Valid Cases	343		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.73.			

Inference: From the above table chi square is not significant. Since significant value 0.102 >0.05, the null hypothesis Ho2: Regarding introducing of case studies in quantitative subjects like financial accounting, cost accounting, QRBD(OR), POM and so on in the MBA syllabus, there is no significant association between urban and rural area colleges is accepted and the strength of association between the two variables is 10.2%.

Table 4: Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.150	.102
	Cramer's V	.150	.102
N of Valid Cases	343		
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Table 5: Chi-Square Test for Job oriented subjects should be included in the syllabus

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.310a	4	.507
Likelihood Ratio	3.307	4	.508
Linear-by-Linear Association	2.624	1	.105
N of Valid Cases	343		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.69.			

Inference: From the above table chi square is not significant. Since significant value 0.507 > 0.05, the null hypothesis Ho3: Regarding including job oriented subjects in the syllabus, there is no significant association between urban and rural area colleges is accepted and the strength of association between the two variables is 50.7%.

Table 6: Chi-Square Test for Students should be given enough time to prepare for jobs.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.059a	4	.281
Likelihood Ratio	5.108	4	.276
Linear-by-Linear Association	.886	1	.346
N of Valid Cases	343		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 4.04.			

Inference: From the above table chi square is not significant. Since significant value 0.281 > 0.05, the null hypothesis Ho4: Regarding giving enough time to students to prepare for jobs, there is no significant association between urban and rural area colleges is accepted and the strength of association between the two variables is 28.1%.

Table 9: The following are the results drawn from the study of cross tabs tables, above chi-square test and symmetric measures tables for respective hypothesis:

Null Hypothesis	Sig. Value	Strength of Association	Result	% of agreed	% of disagreed
There is no significant association between psychological climate towards faculty enjoying their duties and type of college	0.000	24.3	Rejected	69.3	8.8
There is no significant association between introducing of case studies in quantitative subjects like financial accounting, cost accounting, QRBD(OR), POM, etc in the MBA syllabus and type of college	0.102	15.0	Accepted	77.8	9.4
There is no significant association in including job oriented subjects in the syllabus and type of colleges	0.507	9.8	Accepted	80.8	6.9
There is no significant association regarding colleges giving enough time to students to prepare for jobs and type of colleges	0.281	12.1	Accepted	76.6	7.6

A constructive finding of this analysis is that psychological climate towards faculty enjoying their duties with reference to type of colleges. From the above table it may be noted that there is no significance difference between regarding introducing of case studies in quantitative subjects like financial accounting, cost accounting, QRBD(OR), POM, etc in the MBA syllabus 77.8% agreed, for including job oriented subjects in the syllabus 80.8% agreed and 76.6% agreed for colleges giving enough time to students to prepare for jobs.

CONCLUSION

Learning is the ultimate goal of the educational experience, quality must be the main parameter of management faculty of the institution to ensure that the goal is met. This exploration represents an attempt at psychological climate of the institution, induction of cases in quantitative analysis and job support to the students from the institution level. Faculty must conduct some form of seminars which will be helpful for students in hunting their job to determine student confident levels and similarly strengthen the student ability in the qualitative and qualitative area. In many cases, formative evaluations occur during the progress of courses to determine if they are progressing in the intended direction. Professors need to conduct mid-course reviews of their courses and may adjust how and what they are teaching as a result.

Use an objective learning assessment instrument specifically to explore the extent of quality learning in desired skill areas identified as critical for Management students' ultimate success. Such assessments are necessary in order to identify what students are learning in MBA program and to identify the areas additional attention may be required in order to achieve overall program objectives.

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NON- LIFE INSURANCE–THE LARGE POTENTIAL UNTAPPED MARKET OF INDIA

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ABSTRACT
Insurance, the term to be used deliberately in countries like India has got its prominence in recent years due to people's awareness and interest towards protecting themselves from many unforeseen. The tremendous growth in the percentage of insured's in recent times is also showing the same. This overall momentum of growth in insurance industry is constituted by both life and non-life insurance segments. Though, the contribution of life insurance is significant studying and analyzing the contributions of non-life insurance segment is on raise due to the presence of major untapped markets which could turn out to be potential if given enough focus. Thus, in this scenario we felt the need of studying and suggesting few value additions to the field of non-life insurance which would add more number of insured's to the Indian Insurance Industry.

Keywords: Non-life Insurance, Insured, Marketing efforts, risk, premium.

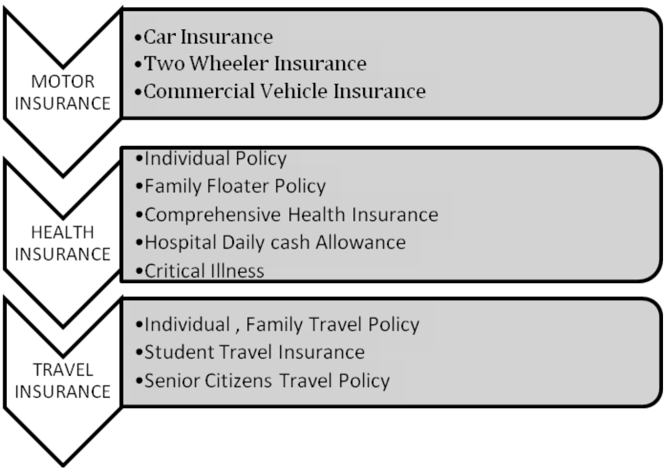
INTRODUCTION
Insurance contracts that do not come under the ambit of life insurance are called Non-life insurance. Non-life insurance is a broad category, including on both people and things. Non-life insurance refers to bearing the customer's risk against insurance premiums. Non-life Insurance is tasked with investing assets covering technical provisions and equity in a safe and profitable way conducting a policy of sufficient risk diversification. It is basically an insurance policy to protect an individual against losses and damages other than those covered by Life insurance. The coverage period for most non-life insurance policies and plans is usually one year, whereby premiums are normally paid on a one time basis. Non-life insurance can also be used to protect financial investments. It can ensure that assets are safely covered for investors. There are a number of regulations and guidelines pertaining to non-life insurance terms, all of which vary based on the customer's specific situation. General Insurance comprises of insurance of property against fire, burglary etc, personal insurance such as Accident and Health Insurance, and liability insurance which covers legal liabilities. Suitable general Insurance covers are necessary for every family. It is important to protect one's property, which one might have acquired from one's hard earned income. Losses created to catastrophes such as the tsunami,

earthquakes, cyclones etc. have left many homeless and penniless. Such losses can be devastating but insurance could help mitigate them.

OBJECTIVES OF THE STUDY

1. To study various types of Non-life Insurance
2. To describe uses of non-life insurance
3. To understand the growth of non-life insurance in India
4. To provide insights on marketing efforts of various insurers in India.

TYPES OF NONLIFE INSURANCE



Non life insurance covers insurance of property against fire, burglary, theft; personal insurance covering health, travel and accidents; and liability insurance covering legal liabilities. This category of insurance virtually covers all forms of insurance except life. Motor insurance covers all damages and liability to a vehicle against various on-road and off-road emergencies. Growth in this category during the forecast period is expected to be at a CAGR of 20.2% due to rising vehicle sales and digital innovations that make it easier to purchase insurance through smart phones. In fact, third party insurance is a statutory requirement in our country i.e. the owner of the vehicle is legally liable for any injury or damage caused to a third party life or property, by or arising out of the use of the vehicle in a public place. A health insurance policy is the only way to mitigate the financial risks, apart from leading a healthy lifestyle. Health care costs are increasing every year. Health insurance often includes cashless facility at empanelled hospitals, pre and post hospitalization expenses, ambulance charges, daily cash allowance etc. Travel insurance, also referred to as visitor insurance, and covers one against unseen medical and non-medical emergencies during overseas travel, ensuring a worry-free travel experience. It protects the insured against misfortunes while travelling. Home insurance ensures that one's hard-earned savings are utilized to meet important needs instead of using them for rebuilding the house if some harm was to come to it. Home is often the most treasured possession of an individual and also the largest financial investments one makes in life. Safeguarding the physical structure and contents of home seems like a logical thing to do. Home is a priceless possession and possibly one of the largest financial investments that you have made. It needs to be safeguarded from unforeseen events. Commercial insurance encompasses solutions for all sectors of the industry arising out of business operations. It covers small and medium scale enterprises, large corporations as well as multinational companies. Common types of commercial insurance:

- Property Insurance
- Marine Insurance
- Liability Insurance
- Financial Lines Insurance
- Engineering Insurance
- Energy Insurance
- Employee Benefits Insurance
- International Insurance Solutions
- Commercial insurance offers solutions for all sectors of the industry ranging from automotive, aviation, construction, chemicals, foods and beverages, manufacturing, oil and gas, pharmaceuticals, power, technology, telecom, textiles, transport and logistics.

PRINCIPLES OF INSURANCE

The common law principle "Caveat Emptor" or let the buyer beware is applicable to commercial contracts and the buyer must satisfy himself that the contract is good because he has no legal redress later on if he has made a bad bargain. But in Insurance contracts the principles of "Uberrima fides" i.e. of Utmost Good Faith is observed and simple good faith is not enough. Utmost Good Faith can be defined as "A positive duty to voluntarily disclose, accurately and fully all facts material to the risk being proposed whether requested for or not". In Insurance contracts Utmost Good Faith means that "each party to the proposed contract is legally obliged to disclose to the other all information which can influence the others decision to enter the contract". Material fact is every circumstance or information, which would influence the judgment of a prudent insurer in assessing the risk. Facts show that a risk represents a greater exposure than expected from its nature. The duty of disclosure remains in force throughout the entire negotiation stage and till the contract is finalized. Once the contract is finalized then the contract is subject to ordinary simple good faith. One of the essential ingredients of an Insurance contract is that the insured must have an insurable interest in the subject matter of the contract. Insurance without insurable interest would be a mere wager and as such unenforceable in the eyes of law. Insurable Interest is defined as "The legal right to insure arising out of a financial relationship recognized under the law between the insured and the subject matter of Insurance". Principle of indemnity in Insurance the word indemnity is defined as "financial compensation sufficient to place the insured in the same financial position after a loss as he enjoyed immediately before the loss occurred." Subrogation does not apply to life and personal accidents as these are not contracts of Indemnity. In case death of a person is caused by the negligence of another than the legal heirs of the deceased can initiate proceedings to recover from the guilty party in addition to the policy proceeds.

GROWTH OF NON-LIFE INSURANCE IN INDIA

Non-life insurance markets in China and India are fast gaining importance in the Asian region, The Indian non-life insurance market performed well in the 2010- 2014 period, with gross written premiums registering a significant compounded average growth rate of 21.5. The favorable regulatory environments, increasing consumer awareness about the benefits of insurance and higher levels of infrastructure development are expected to drive growth in the Indian non-life insurance sector during the forecast period from 2015 to 2019. The Indian non-life insurance segment is concentrated, with the top 10 companies accounting for 77.5% of the gross written premium of the country. "The potential for greater foreign involvement in the Indian non-life insurance industry opens up the possibility of greater competition and application of marketing techniques to build brand awareness and therefore increase market penetration which provides business information services. Motor insurance was the largest category within the non-life sector, accounting for 54% of the overall non-life insurance gross written premium in 2014. The overall increase was due to increasing public awareness of insurance, higher consumer income levels that boosted premiums and strong growth in the automobile, property and construction industries, which boosted property and motor insurance. The firm said these factors would continue to drive growth in the sector between 2014 and 2018.

MARKETING MIX FOR INSURANCE COMPANIES

The marketing mix is the combination of marketing activities that an organization engages in so as to best meet the needs of its targeted market. The Insurance business deals in selling services and therefore due weight age in the formation of marketing mix for the Insurance business is needed. The marketing mix includes sub-mixes of the 7 P‘s of marketing i.e. the product, its price, place, promotion, people, process & physical attraction. The above mentioned 7 P‘s can be used for marketing of Insurance products, in the following manner:

a. PRODUCT: A product means what we produce. If we produce goods, it means tangible product and when we produce or generate services, it means intangible service product. A product is both what a seller has to sell and a buyer has to buy. Thus, an Insurance company sells services and therefore services are their product. In India, the Life Insurance Corporation of India (LIC) and the General Insurance Corporation (GIC) are the two leading companies offering insurance services to the users. Apart from offering life insurance policies, they also offer underwriting and consulting services. When a person or an organization buys an Insurance policy from the insurance company, he not only buys a policy, but along with it the assistance and advice of the agent, the prestige of the insurance company and the facilities of claims and compensation. It is natural that the users expect a reasonable return for their investment and the insurance companies want to maximize their profitability. Hence, while deciding the product portfolio or the product mix, the services or the schemes should be motivational.

b. PRICING : In the insurance business the pricing decisions are concerned with: The premium charged against the policies,

   - Interest charged for defaulting the payment of premium and credit facility, and
   - Commission charged for underwriting and consultancy activities.
   - With a view of influencing the target market or prospects the formulation of pricing strategy becomes significant.

   In a developing country like India where the disposable income in the hands of prospects is low, the pricing decision also governs the transformation of potential policyholders into actual policyholders. The strategies may be high or low pricing keeping in view the level or standard of customers or the policyholders. The pricing in insurance is in the form of premium rates. The three main factors used for determining the premium rates under a life insurance plan are mortality, expense and interest.

c. PROMOTION: The insurance services depend on effective promotional measures. In a country like India, the rate of illiteracy is very high and the rural economy has dominance in the national economy. It is essential to have both personal and impersonal promotion strategies. In promoting insurance business, the agents and the rural career agents play an important role. Due attention should be given in selecting the promotional tools for agents and rural career agents and even for the branch managers and front line staff. They also have to be given proper training in order to create impulse buying. Advertising and Publicity, organization of conferences and seminars, incentive to policyholders are impersonal communication.

d. PHYSICAL DISTRIBUTION: Distribution is a key determinant of success for all insurance companies. Today, the nationalized insurers have a large reach and presence in India. Building a distribution network is very expensive and time consuming. If the insurers are willing to take advantage of India‘s large population and reach a profitable mass of customers, then new distribution avenues and alliances will be necessary. Initially insurance was looked upon as a complex product with a high advice and service component. Buyers prefer a face-to face interaction and they place a high premium on brand names and reliability. As the awareness increases, the product becomes simpler and they become off-the-shelf commodity products. Today, various intermediaries, not necessarily insurance companies, are selling insurance. For example, in UK, retailer like Marks & Spencer sells insurance products.

CONCLUSION

Life is full of risks. That’s what makes it so interesting and exciting. But some unexpected events can really set you back. Non life insurance helps us protect ourselves and the things we value, such as our homes, cars from certain financial distresses caused due to fire, flood, storm and earthquake, to theft, car accidents, and travel mishaps – and even from the costs of legal action against us. And we can choose the types of risks we wish to cover by choosing the right kind of policy with the features we need. In general, insurance works by spreading the cost of unexpected risks among a large number of people in the same region who share similar risks. Thus, by considering the above discussions the insurer’s can identify and capitalize on the large untapped potential markets while the people can understand what and why’s of Non-life insurance.

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DIGITAL TRANSFORMATIONS IN RETAIL INDUSTRY

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ABSTRACT

Indian retail industry contributes approximately 10% of GDP. This industry has emerged as one of the most dynamic industry with the entry of new players. But the industry is facing many challenging like competition from foreign players, e-commerce players and customers whose buying preferences are changing. It is imperative for retailers to embrace digital technologies to give innovative shopping experiences and convenience to the customers. This paper makes an attempt to understand how retailers (both offline and online retailers) integrate their businesses with technology, designing an omni-channel platform to connect with customers at various touch points and where does Indian retailers stand in this paradigm shift.

Keywords: Omni-channel, digital technology, brick and mortar, online players, flagship store

INTRODUCTION

As the digital revolution has gathered momentum in recent times, it has become imperative for the retailers to embrace digital technologies to engage with, delight and monetize customers in the modern world. The Indian retail industry is one of the fastest growing in the world. Retail industry in India is expected to grow to US$ 1.3 trillion by 2020, registering a Compound Annual Growth Rate (CAGR) of 16.7 per cent over 2015-20. The retail industry is being driven by a new, dynamic, global transformation that further adds to the general competitive nature of the retail industry. This transformation has been set in motion by greater adoption of the Internet by the general public on a global scale which has forced retailers to develop ecommerce strategies and incorporate the multi-channel approach into their business models (Geyskens et al., 2002). An omni-channel world, in short, represents a major crisis for traditional retailers. Customers are passing them by. Online players are gaining. To keep up, existing retailers will need to create an omni-channel strategy—and pick up the pace of change. We are witnessing a significant shift in shopping patterns away from brick-and-mortar to online mobile shopping. However, bricks and mortar stores will remain the dominant revenue-generating channel for the foreseeable future. In-store shopping and e-commerce may have more in common than what some bricks-and-mortar retailers instinctively assume. As consumers have become accustomed to the convenience and empowerment of online shopping, they expect their in-store experiences to be consistent with their e-commerce routines. What retailers used to consider separate business models are beginning to amalgamate into an omni-channel approach where the key ingredient is consistency and continuity across the multiple touch points that consumers encounter on their purchase journeys. As bricks-and-mortar retailers are trying to enhance their in-store experiences, new options are emerging to help close the gap between online and in-store experiences.

DIGITAL TECHNOLOGIES THAT ENHANCE THE STORE EXPERIENCE

These technologies include tablet technology, video screens and in-store kiosks, digital signage, interactive hangers, augmented reality, use of social proof, and virtual reality.

TABLET TECHNOLOGY

Touch screens have become key components to the in-store experience. They come in two forms: kiosks and digital signage. Touch screens encourage interactivity and engagement on the part of the user. Some retailers have used tablets to remove checkout desks. Tablets offer retailers a chance to deliver meaningful visual experiences that engage shoppers who are using tablets to blend the best of digital and real worlds to get the right size and color at the right price.

VIDEO SCREENS AND IN-STORE KIOSKS: TWO FORMS OF TOUCH SCREENS

Retailers such as Tesco and John Lewis have “kiosks” that allow customers to browse product ranges and order items while in store

DIGITAL SIGNAGE

Digital signage promotes engagement in store and encourages customers to take the retail experience with them when they leave the store. Digital signage can connect with content management systems to allow for quick and seamless updates, as well as the ability to either broadcast updates once to any number of devices or custom update each device with localized content. It can be used to assist customers with in-store purchases as well as to update prices anywhere—anytime. It also can be used to gamify the retail environment, share content from screen to screen, create wish lists that can be sent to a customer’s mobile via SMS or email, and run “loyalty” and “just in time” promotions.

INTERACTIVE HANGERS (IH)

Interactive Hangers works when the hanger is picked up by a shopper and triggers preprogrammed visual media to be played on a nearby screen. IH also can be programmed to change lighting, background music, and other media around the store.

AUGMENTED REALITY (AR)

Augmented reality (AR) is a live direct or indirect view of a physical, real-world environment whose elements are augmented (or supplemented) by computer-generated sensory input such as sound, video, graphics or GPS data.AR allows for a digitally enhanced view of the real world. AR can add layers of digital information on top of items in the world around us. It also can be used for reading product reviews, watching videos, and ordering online.

VIRTUAL REALITY (VR)

VR typically refers to computer technologies that use software to generate realistic images, sounds and other sensations that replicate a real environment (or create an imaginary setting), and simulate a user's physical presence in this environment, by enabling the user to interact with this space and any objects depicted therein using specialized display screens or projectors and other devices. Top shop's latest use of technology was to live stream a VR "experience" of its London Fashion Week show. Customers could use VR headsets to experience the show in 360 degrees

USE OF SOCIAL PROOF

Nordstrom shows top pinned items (on Pinterest) in its stores. This makes it easier for customers to find the items and serves as social proof. An in-store app allows salespeople to match popular Pinterest items with the available inventory to best serve shoppers

SOME INTERNATIONAL PLAYERS WHO HAVE EMBRACED DIGITAL TECHNOLOGIES

A handful of retailers have tried and succeeded in achieving a smooth transition from online to in-store shopping by offering customers a seamless, omni-channel experience. Companies such as Apple have managed to blend the ease and convenience of online electronic payment with the reassuring comfort of in-store shopping by eliminating the cash register in their stores and having salespeople handle the sales transaction on smartphones before sending customer receipts via email. iPhone owners can even complete the sales process themselves using the Apple Store app on their own devices. Customers only need to scan the barcodes of the products they wish to buy with their iPhone's camera and pay for the purchases in-store through the EasyPay option in the Apple Store app—no sales clerk required. Another option available to iPhone owners is the ability to select and buy the items online before heading to their local Apple Store to pick them up.

The Montreal-based LightSpeed offers retailers a complete omni-channel solution to seamlessly integrate e-commerce functions and in-store operations at an affordable price. As with Apple's EasyPay option, shoppers can use the LightSpeed solution to pay with their handheld devices. The platform also gives a retailer the opportunity to allow its customers to view merchandise that is not on the sales floor and order it on the spot. By eliminating the time spent hunting through the stock room for merchandise, looking up information on products or ringing up purchases at the cash register, this type of solution gives the retailers the chance to spend more time engaging with customers and selling products.

FUTURE OF INDIAN RETAIL

A few companies in India are embracing the digital world too. Tata Housing now sells hundreds of houses online on property aggregator sites. Asian Paints has been at the forefront, quietly digitizing their supply chain and their sales forces, making it extremely nimble and cost-efficient. At the Mahindra Group itself, Mom&Me has merged with BabyOye, the online baby etailer, and now renamed the entire company BabyOye. M2all.com is a superstore of all products of the Mahindra Group. Each company in the group is running multiple pilots - creating digital products, mobility presences, experimenting with disruptive digital business models. Becoming Digital is not only about creating an app or a website, or even a new digital product. It is not only about embracing ecommerce, or a cloud-based SaaS-enabled CRM (customer relationship management). Digital transformation Helps company react and change very fast, and achieve new product-market fits almost instantaneously.

SOME INDIAN RETAILERS WHO ARE MAKING THEIR WAY TO DIGITAL TRANSFORMATIONS ARE

Van Heusen

Premium lifestyle brand for professionals, Van Heusen, recently unveiled its first digitally immersive flagship store, in their effort to address every customer's pet peeve of not finding the appropriate fit, size and style best suited to their personality. At the store, shoppers are greeted by a 42 inch, digital display called 'Today's Briefing' that offers 'look of the day,' informs what's new in-store, doles out styling tips and updates on new fashion trends. Next to the display is the 'Fit Scanner' enclosure, where the customer is scanned by an infrared device, after which, measurements, right from the collar circumference, shoulder width, to the chest, bust, hip etc are generated and are used to identify the right fit for shirts, trousers, dresses, etc. At the store, shoppers are greeted by a 42 inch, digital display called 'Today's Briefing' that offers 'look of the day,' informs what's new in-store, doles out styling tips and updates on new fashion trends. Next to the display is the 'Fit Scanner' enclosure, where the customer is scanned by an infrared device, after which, measurements, right from

the collar circumference, shoulder width, to the chest, bust, hip etc are generated and are used to identify the right fit for shirts, trousers, dresses, etc.

ZIVAME

The idea behind a fitting lounge is still new in India. Adding on to that, established brands typically do not offer anything to educate their customers on how to get measured or go about buying lingerie. Aiming to fill this void, online lingerie retailer, Zivame, recently launched its first flagship fitting lounge in Bangalore, to help women make educated choices in their purchases going forward. Customers can just walk in and enter their details on a tab. The professional fitters at the lounge then go on to help them discover their right size and also provide expert advice when it comes to the style and type of options available in the market. If convinced, the lounge also allows customers to make an online purchase right then and there. Thus the fitting lounge is aimed at providing customers a perfect touch-and-feel experience that will complement the online store, rather than announcing Zivame's foray into the offline market.

Pepperfry

Shopping for furniture can often end up being a very a complex process especially, for millennial customers setting-up homes for the first-time. These customers seek the best in terms of quality without compromising on their busy lifestyle and packed schedules. In their efforts to allow customers to interact and consult with interior designers and architects with ease, leading online furniture retailer, Pepperfry, launched its concept store 'Studio Pepperfry'. Shopping for furniture can often end up being a very a complex process especially, for millennial customers setting-up homes for the first-time. These customers seek the best in terms of quality without compromising on their busy lifestyle and packed schedules. In their efforts to allow customers to interact and consult with interior designers and architects with ease, leading online furniture retailer, Pepperfry, launched its concept store 'Studio Pepperfry'.

Adidas

Adidas Group launched their 1st Indian omni-channel store in New Delhi last May. This was soon followed up by the introduction of endless-aisle technology in Chandigarh This endless-aisle technology allows consumers to browse, research and pick up their products with convenience. , it also allows the retailer to sell products that are not available in stores and at the same time service orders received from the Adidas Web store.

CONCLUSION

Though e-commerce has revolutionized the way consumers shop today, brick and mortar stores are here to stay. Millennial are more information seeking, looking for convenience and easy of shopping and at the same time look for tangibility when they shop. Because of this metamorphosis, it is indispensable for retailers to build omni-channel platforms and create digital ecosystem to stay connected with the customers. Retailers who realize this change and adapt their strategies accordingly will stay ahead of the competition.

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EMERGING BANKING PRACTICES AND ITS IMPACT ON CUSTOMER SERVICE IN INDIA

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ABSTRACT

Banks in the contemporary era face blitz of challenges, spur by the latest technology advancements and mounting consumer expectations, stressing the need for IT modernization and digital innovation. Banks that run core business processes on conventional infrastructures are discovering that fast-moving challenger banks using modern infrastructures are becoming a serious competitive threat. Another challenge is arising from disintermediators, non-financial institutions providing services that race with long-standing bank operations, such as providing customer and commercial credit. The thrust toward IT modernization in banking is driven by other factors, as well. New regulatory requirements mandating real time payments and the pressure to provide value added customer experiences underscore the need to update delivery architectures and to guarantee protected support of traditional and mobile browsers, as well as native and hybrid mobile technologies. To enable improved customer experiences and create more competitive infrastructures, fast application development and efficient delivery are a key part of IT modernization effort. This paper studies about financial innovation in banking sector in India. The purpose of present study is to analyze effects of emerging banking practices on the customer service in India.

Key Words: IT modernization, non-financial institutions, hybrid mobile technologies.

INTRODUCTION

Banking today is an emerging industry, focused on technological innovation. Banks play an significant and dynamic role in the financial development of a country. The Indian banking system consists of 26 public sector banks, 25 private sector banks, 43 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks and 93,550 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control nearly 80 percent of the market, thereby leaving comparatively much smaller shares for its private peers. According RBI, banking sector in India is well regulated and adequately capitalized. The financial and economic conditions in the country are much advanced as compared to any other country in the world. The Indian banks have also survived the Credit, market and liquidity risks as suggested in different studies. Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. Globalization brought several changes to Indian banking industry. Technology is revolutionizing all areas of human endeavor and activity. It has now brought in E-banking, which is progressively substituting the traditional branch banking. Internet banking has emerged as the largest focus and targetable area. RBI granted in-principle approval to 11 payments banks and 10 small finance banks in FY 2015-16. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. Banks are also persuading their customers to handle their finances using mobile phones. Standard & Poor's estimates that credit escalation in India's banking sector would improve to 11-13 per cent in FY17 from less than 10 per cent in the second half of CY14.

NEED OF THE STUDY:

Banking system plays a very significant role in the economy. A dexterous banking system should satisfy the needs of industrial and domestic customers. Indian Banking sector provides huge amount of capital to industrial sector for its capital and working needs and on the other hand with the provision of e-banking enables the customers to access and manage their bank accounts without physically visiting the banks. The facility of credit/debit cards has transformed the alternatives accessible to the customers. In the present state of affairs people are becoming hectic with their life style and find no time to make the payments by standing in queue, the service provided by the banks is commendable. With the growing Internet consciousness among customers, increase in role of banks in e-business and it would become an important part of the banking sector in the years to come. The banks are finding it difficult to compete among themselves and with the international banks in terms of the customer service without the effective use of information technology. In the current scenario with the demonetization of currency the significance of the e-banking is more experienced.

OBJECTIVES OF THE STUDY:

1. To study the technological developments in Indian banking sector
2. To find out the emerging banking practices and its impact on customer service.

Research Methodology

The study focuses on the emerging banking practices and its impact on customer service. The study is based on exploratory research, and is conducted to identify different emerging factors affecting the banking sector.

Data Collection:

Secondary data has been collected for this paper. The same has been compiled from various journals, books, magazines and RBI reports and bulletins.

Review of Literature:

An extensive review of literature forms an important part of the study; a review of few of the studies is discussed below:

Ravindran, Reji Kumar (2012) examined the various factors influencing mobile banking service users and concluded that there exists a strong correlation between quality of service, satisfaction and intention to use mobile banking. With the acceptance of technology customer finds more delight on the quality parameter of the service. Perceptions about the trust and risks involved in mobile banking have adverse impact on the service satisfaction.

Ankit (2013) observed that most of the banks are trying to adopt mobile banking to make their customers satisfied for different innovative service. Customers are delighted with the variety of services offered by the banks.

According to Sujana (2011) internet and mobile banking had a greater impact on the customer satisfaction, those activities are no longer to time and geographical locations. Innovative banking products offer 24-hour accessibility to customers. Internet banking provides easier access to bank accounts at lower service charges. It also provides high speed of service with low cost.

Kanhaiya Singh (2011) concludes that financial market has turned into a buyer's market. Banks are have now bloomed into one-stop Supermarkets. Their focus is shifting from mass Banking to Class banking with introduction of value added and customized products. Technology now allows banks to create what looks like a branch in a business building's lobby without having to hire manpower for manual operations.

Fatima (2011) examined that internet banking services should be more vigilant towards security requirements. Internet banking transaction should have layered protection against security threats. Biometric based authentication is the new answer to address security issues. Using biometric identification for the innovative services can effectively utilize innovative services and it provides effective ways to transact.

Vishal Goyal (2010), analyzed the different advantages and disadvantages of mobile banking. Simplicity, usability, Universality, Interoperability, Security, Privacy, Trust, Cost, Speed and Cross Border payments are some of the advantages virus attacks and risk with digital signature ae the various disadvantages.

Technological Developments In Indian Banking Sector

1. IVR Service: Banks are offering very advanced IVR answering service which route the customer call directly to the department concerned and allow the customer to leave a message for the concerned desk.
2. Chip Card: Now a day's banks are providing cards debit and credit cards to the customer which has advanced features of a chip inside, this feature is of utmost security to the customer.
3. Society for Worldwide Inter-bank Financial Telecommunications (SWIFT): SWIFT is a method of the sophisticated message transmission of international repute. This is highly cost effective, reliable and safe means of fund transfer. This network also facilitates the transfer of messages relating to fixed deposit, interest payment, debit-credit statements, foreign exchange etc. This service is available throughout the year, 24 hours a day. This system ensure against any loss of mutilation against transmission. SWIFT has extended its range of services to users like brokers, trust and other agents.
4. Automated Teller Machine (ATM): This has become a necessity for all the customers in their day to day life for drawing cash for their requirements. This is simple fast and reliable, the only thing which is needed is the Debit /Credit card.
5. Internet Banking Internet banking enables a customer to do banking transactions through the bank's website on the Internet. It is a system of accessing accounts and general information on bank products and services through a computer while sitting in its office or home. This is also called virtual banking. All the transactions are encrypted; using sophisticated multi-layered security architecture, including firewalls and filters.
6. Mobile Banking: Mobile banking facility is an extension of internet banking. With recent developments in cellular technology handset designs and mobile software, this is a trend which has already caught focus of majority of the banks. The banks in association with the cellular service providers offer this service. For this service, mobile phone should either be SMS or WAP enabled.
7. Bank net: Bank net is a first national level network in India, whith the help of bank net, the message of banking transaction can be transferred in the form of codes from one city to another, it facilitates in quick settlement of transactions and advices, helps in improvement in customer service-withdrawal of funds is

possible from any member branch, easy transfer of data and other statements to RBI, useful in foreign exchange dealings, access to SWIFT through Bank net is easily possible.

Emerging Banking Services

Today we have electronic payment system along with currency notes. India's financial sector is moving towards a scenario, where it can have new instruments along with liquidity and safety.

1. ATM, Mobile Banking – SMS, Telephone Banking
2. On-line Banking, Internet, Email, Datanet, RBI Net, Nicnet, I-Net, Etc...
3. Home Banking, Electronic Payment, Cash Dispensers
4. Real-time gross settlement systems (RTGS)
5. National Electronic Fund Transfer (NEFT)
6. Electronic Clearing System(ECS), Electronic Fund Transfer Systems(EFT)
7. Pin Number based Transaction for:
   a. Magnetic Cards – Smart Cards, Credit Cards & Debit Cards.
   b. Teller Machines at the Bank Counters, Etc...
8. Offshore Banking / Overseas Banking Services

Impact On Customer Service In India

The Indian banking sector is faced with manifold and contemporaneous challenges such as increased competition, rising customer expectations, and diminishing customer loyalty. The banking industry is also changing at a phenomenal speed. While at the one end, we have millions of savers and investors who still do not use a bank, another segment continues to bank with a physical branch and at the other end of the spectrum, the customers are becoming familiar with ATMs, e-banking, and cashless economy. This shows the immense potential for market. Banks are setting up alternative delivery channels to contain operating costs like off-site ATMs, internet banking, telebanking, outsourcing, centralized transaction processing, etc. No doubt, the benefits of technology have brought a sea-change in the outlook of modern banking. Maintaining transparency and market disclosure of critical information such as risk profile, capital adequacy, and liquidity management have made banking institutions more accountable and responsive to the well-informed customers, investors, and public at large. In this complex and fast changing environment, the only sustainable competitive advantage is to give the customer an optimum blend of technology and traditional service with technology.

CONCLUSION

Customer services and customer satisfaction are the prime work of any system. Information technology has given rise to new innovations in the product designing and their delivery in the banking and finance industries. The change has been very productive for banks bringing in an increase in productivity and operational efficiency to be more competitive. With customers demanding ‘anytime and anywhere’ access to their money and financial information, banks have no option but to implement wireless solutions in device-independent and network-agnostic ways.

Current banking sector has come up with a lot of initiatives in the form of providing a better customer services with the help of new technologies. Banking through internet has emerged as a strategic resource for achieving higher efficiency, control of operations and reduction of cost by replacing paper based and labour intensive methods with automated processes thus leading to higher productivity and profitability.

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PRICING MECHANISM IN E-NAM- NATIONAL AGRICULTURAL MARKET PORTAL

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ABSTRACT

Agricultural markets are described by poor aggressiveness, fracture, wastefulness, presence of excessive middlemen, and frequent price manipulations. In 1950 Agricultural Produce Marketing Committee (APMC) was authorized with the end goal of unremitting the misuse of farmers from the leech hands of money lenders and brokers. In any case, in India still farmers are enduring in the hands of money lenders and brokers in the business sectors. In this way, to shield the farmers from every one of these issues Hon'ble Prime Minister Narendra Modi has propelled National Agriculture Market (NAM) it is additionally called as e-National Agriculture Market (e-NAM). The National Agriculture Market (NAM) has encouraged a stage to the famers to offer their deliver electronically to the dealers crosswise over nation. Presently the farmers of different states likewise offer their produce to the brokers the nation over and they can likewise show signs of improvement cost for their produce in light of the fact that, agriculturists can alter their own cost for their produce, low expenses and there is no menace of mediators. Through this study an exertion has been made to give brief picture of National Agriculture Market (NAM), its functioning, and its mechanism.

Keywords: Agricultural Produce, Market, Digital, Farmers and Commission Agent.

INTRODUCTION

Presently, markets in agricultural merchandise are regulated underneath the Agricultural Produce Market Committee (APMC) Act enacted with the aid of State Governments. There are about 2477 predominant regulated markets situated on geography (the APMCs) and 4843 sub-market yards regulated through the respective APMCs in India. Comfortably, India has now not one, now not 29 however 1000s of agricultural markets. This Act notifies agricultural commodities produced within the vicinity such as cereals, pulses, edible oilseed, fruits and vegetables and even chicken, goat, sheep, sugar, fish and many others., and provides that first sale in these commodities can be carried out handiest below the aegis of the APMC by means of the commission marketers licensed by using the APMCs established underneath the Act. The typical facilities to be had in or around the APMCs are: public sale halls, weigh bridges, godowns, stores for outlets, canteens, roads, lights, drinking water, police station, submit-place of business, bore-wells, warehouse, farmers amenity center, tanks, Water treatment plant, and many others. More than a few taxes, charges/expenses and cess levied on the trades conducted within the Mandis are also notified underneath the Act. In India 58 percent of populace is trusted the agriculture for his or her livelihood and still the farmers are trusted the middlemen and suffering within the threat palms of money lenders to sell their produce, as a result of lack of financial resources and inputs for their agricultural routine. Earlier than launching of national Agriculture Market (NAM) and e-mandi, farmers have been used to sell their produce to the merchants within the APMC or of their villages. Because of this interference of middlemen and lack of different markets capabilities farmers aren't getting profit as reward for their tough labour and they aren't getting even excellent price for their produce. To get rid of from all these issues Ministry of Agriculture has launched countrywide Agriculture Market (NAM) an electronic platform to promote agriculture produce electronically to the various merchants across the country. Through this electronic portal farmer can promote their produce instantly to the traders by way of bringing up their produce first-rate, by quoting their Commission and other requirements.

National Agriculture Market (NAM)

National Agriculture Market (NAM) is a pan-India electronic buying and selling portal which networks the existing Agricultural Produce Market Committees (APMC) mandis (markets) to create a unified national marketplace for agricultural commodities. National Agriculture Market (NAM) was approved with a finance of Rs.200 crores, to be applied in the course of 2015-16 to 2017-18. It envisages implementation of NAM via constructing of a suitable usual e-market platform that would be deployable in chosen regulated wholesale markets in States/Union Territories (UT) desirous of joining the e-platform. Integration of state Agricultural Produce Market Committees (APMC) with NAM requires specified pre-requisites in the State AMPC Acts, namely- (i) a single license to be legitimate across the State, (ii) single factor levy of market Commission and (iii) provision for digital public sale as a mode for rate discovery. Simplest these States/united states that have accomplished these three pre-requisites shall be eligible for assistance below the scheme.

Inadequacies of Model APMC Act

The provisions of the mannequin APMC Act don't go far adequate to create a country wide – and even state degree customary marketplace for agricultural commodities. The cause is that the model APMC Act retains the necessary requirement of the shoppers having to pay APMC charges even when the produce is sold immediately outside the APMC area, say, to the contract sponsors or in a market hooked up with the aid of confidential members despite the fact that no facility furnished by means of the APMC is used. The imperative provision (No.42) within the model APMC Act is:

"power to levy market price "(single factor levy): every market shall levy market rate (i) on the sale or purchase of notified agricultural produce, whether or not brought from inside the State or from outside the State into the market field."

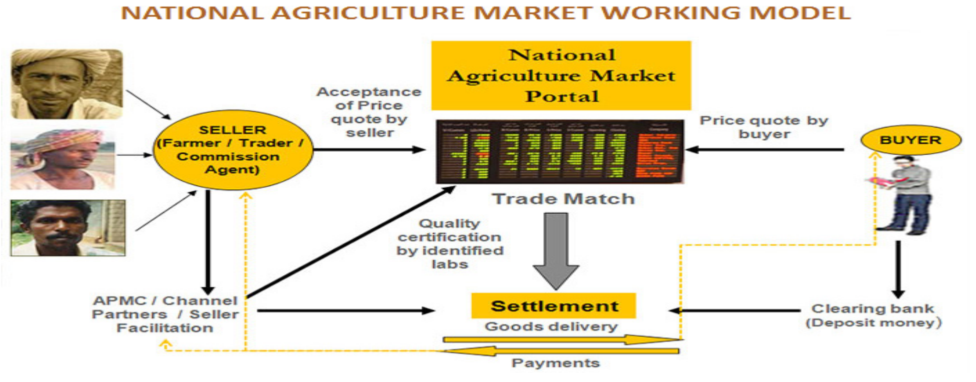
Rationale for NAM

The intent for a national market may also be twofold. First, digital auction platform to be installed in earmarked APMCs can deliver transparency in the cost discovery system, and unified market platform might lead to real time, vast-headquartered price dissemination. Second, the customary market platform can promote a single licensing procedure across the enforcing states, connecting important and sub-yard APMCs, and effectuate a single factor levy of market cost. On-line portal will allow the buyer to transfer funds to the farmer's account and involved APMC's bills after the supply of produce from the farmer to the purchaser is ensured. The inducement for a unified market platform can be traced to the Rashtriya e-Market Services (ReMS), an initiative of Karnataka State Agricultural Marketing Board with National e-Markets Limited (NeML), erstwhile National Commodity and Derivatives Exchange (NCDEX) Spot trade, began in 2013. The joint enterprise has integrated some 55 out of a 155 fundamental APMCs right into a single licensing procedure and accommodated many farmers and merchants in the digital auctioning of pulses. Earlier than the inception of Karnataka model, confidential sector has performed a colossal function in the exchange of cereals, pulses, and oilseeds. Apparently, ReMS might be a reference mannequin for NAM. The crucial sector scheme could integrate these APMCs which have observed some amount of reforms. However, the reluctance of a number of states for the adoption of APMC mannequin Act has restricted the personal sector entry in the market development (Chand 2012).

Structural and Regulatory Norms

Role of SFAC: The SFAC expressed its intent to enforce the NAM project by means of a formal bidding system. NeML would anchor the assignment and facilitate to design the buying and selling structure (Dey 2015c). The spot exchange has received some domain abilities in facilitating the electronic spot trading of agricultural commodities in states like Karnataka, Maharashtra, Gujarat, Madhya Pradesh and Rajasthan to name a number of. While it can support worried states to improvise their regulated markets right into an application-enabled trading platform, implementation entails a good idea-out plan. SAMBs, Food and Civil Supplies, Cotton Corporation of India and state-run groups need to coordinate to speed up the project execution and make sure a trouble-free operation on the market yard or collection centre. Here, Karnataka ReMS mannequin can be adopted to design mainframe architecture of give chain flows, specifically, information float, product glide, and cash or cost flow. Nevertheless, the success will depend on the states' outlook to market-led agriculture that entails regular procurement, value addition to the marketable surplus, co-construction/co-construction and profit-sharing model.

Integrating Value Chain: Creation of NAM desires a management know-how procedure for managing understanding go with the flow, product drift, and payment float in an electronic market. Technological know-how can contribute to developing the procedure via synchronism value chain routine into layer-smart techniques (Dey 2015b). For illustration, dairy and other food processing industries control to man oeuvre their worth chain layer effectiveness deploying adequate resources supported through an effective information procedure. Consequently, they may be able to optimize cost-benefit metrics embracing a value chain reference model.



Source: Small Farmers' Agribusiness Consortium (SFAC)

The apex company, SFAC can draw some lessons from these markets where technology, either pc or mobile played a function to reasonable the creation and marketing choices of retailers. Short message service (SMS)-centered price information to traders and farmers by way of Reuters Market Light (RML) services has been particularly fashionable in many states.

Process Flow at Market Yard: ReMS model system float on the market yard will also be adopted by way of the imposing states (executive of Karnataka 2013). The procedure can start with farmer-lot-wise entry and lot-identity-code creation, and farmers must dump their produce at commission agent's doorstep. Commission retailers must then update the stock file and draw the sample from the heap. The concerned APMC employees will have to behavior the digital bidding as per designated lot identification quantity generated. The public sale leads to convey about great bid (purchase) and best ask (promote) rate, and that should be communicated to the bidder and farmer by way of SMS-headquartered/in-call carrier. Once the order will get matched, ultimate weighment needs to be recorded for producing a sale receipt. The purchaser/Commission agent must then transfer the required amount to the farmer account and pay the market cost to the respective APMC account.

Partnership Model: The general Public Private Partnership (PPP) can help combine the information flow, product flow, and cash flow within the exchange. Combining the three streams would have importance to value chain steadiness. At the same time a resilient price chain can maintain flexibility and complement the competing intermediaries, stability of the method requires an enabling environment (Dey 2015b). We are able to recollect a common PPP mannequin value chain. In Rajasthan, an exclusive warehousing company has built an integrated market (public sale platform, warehouses, and silos) called private mandi for farm produce procurement, storage and protection, and distribution. Licensing from the Rajasthan SAMB is essential to facilitate the trading and distribution. For a positive intervention, the corporation could contract out at end-to-end strategy to farmer producer organizations.

Clearing and Settlement: Once the exchange has been validated, main bill will likely be generated mechanically by way of e-NAM software which may also be accessed with the aid of the traders from the respective dashboard or from the one sent to the winning bidder on email / SMS or manually etc. The profitable bidder will deposit the amount calculated as per the sale contract, with a purpose to incorporate market Commission, commission agent's expenses, and loading / unloading / packaging costs and so on, as relevant. Winning bidder shall be ready to deposit the quantity on-line into a contract account making use of RTGS /NEFT or by means of on-line payment gateway supplied on e-NAM. To be paid via the buyer. Cash due to be paid to the Farmer- vendor / Commission Agent and different beneficiaries like APMC, carrier providers etc. Will likely be transferred to their respective bank debts registered with e-NAM after acceptance of supply through the buyer or his consultant inside 1 (one) trade day by way of the financial institution working the e-NAM account upon on-line approval from concerned APMC.

CONCLUSION

Electronic trading portal of NAM (e-NAM) has been officiated recently with a country wide interest to attach greater than 580 APMCs across quite a lot of components of the nation in a stipulated time period. Whilst there may be some amount of participation of merchants in the spot fee discovery of meals grains, peculiarly paddy/rice and wheat, inclusivity in trading and participation wishes to be attained. It usually is plausible that besides a single factor levy of market charges and single license for a trader across all markets within the state involved, connecting farmers with the market through a digital grid and realization of an inexpensive fee with minimal transaction costs should be a main objective of this undertaking. Although e-NAM will reinforce competitiveness in market by way of better participation of buyers and extra obvious approach of bidding, it must no longer be considered a panacea for all deficiencies in agricultural markets. E-NAM necessitates some reforms proposed in model APMC Act whereas it will not address some imperative issues having bearing on conduct and efficiency of market. The entire advantage from linking agricultural markets in the nation and striking them on digital platform will come when a single trading licence is legitimate across the nation and when a farmer will get the alternative to sell her/his produce in any market during the nation.

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PERFORMANCE EVALUATION OF OPEN ENDED MUTUAL FUNDS IN INDIA

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ABSTRACT

Mutual Fund is a vehicle for small investors to enter into Bluechip companies. Mutual fund companies collect the savings of the investors and make a big corpus of these savings and invested in a well diversified portfolio of different companies. It is generally believed that mutual funds are able to diversify the risk. Mutual fund industry has just four decades old in India. During this short span of time it has made tremendous growth. So considering these points this paper is an attempt to study the performance evaluation of selected open ended schemes in terms of risk and return relationship. For this rate of return method, Beta, Standard Deviation, Sharpe ratio and Treynor ratio has been used.BSE-30 has been used as a benchmark to study the performance of mutual funds in India. The study period has been taken from 1st April 2009 to 31st March 2011.The findings of the study reveal that only three schemes have performed better than benchmark.

Keywords: Mutual Funds, Blue Chip Companies, Diversified Portfolio, Open Ended Schemes

INTRODUCTION

Mutual funds provide a mechanism to invest in the stock market without knowing the complexities of stock market. Mutual funds provide the best option to the investors who have no knowledge of the stock market. Mutual fund is just the connecting bridge or a financial intermediary that allows a group of investors to pool their money together with a predetermined investment objective. They are responsible for investing the gathered money into specific securities (stocks or bonds). They invest their money on the behalf of investors. For this they charge only nominal fees. When you invest in a mutual fund, you are buying units or portions of the mutual fund and thus on investing becomes a shareholder or unit holder of the fund. Mutual funds provide more return with less risk. The main advantage of mutual fund is that it diversifies the risk because the pooled money is invested in diversified portfolio. Mutual funds have started in India in 1964. The first scheme was Unit Scheme 1964. In that year UTI has the monopoly over the mutual fund industry up to 1987. In 1987 government institutes were allowed to start mutual funds operations. In 1993 it has opened for private sector. The regulations on mutual funds came in the year 1996.

Today there are near about 42 mutual funds companies operated in India. Moreover government is doing every effort to promote the mutual funds in India. In 1999 it has exempted the all dividend incomes in the hands of investors fully tax free. Mutual funds offer close ended and open ended schemes. Close ended schemes have some stipulated time period that is normally between 3 to 15 years. Open ended schemes are available for subscription during the all time period. These are further available in growth, income, balanced, ELSS, FMCG, ETF, gold fund and sector specific. Mutual fund industry is doing every effort to attract the investors to invest in mutual funds by offering innovative schemes. Moreover Investors have great expectations from mutual funds.

REVIEW OF LITERATURE

Lots of studies have been conducted on performance evaluation of mutual funds in India. Some of the studies has presented in a chronologically order: Treynor (1965) presents a new way of viewing performance results. He attempted to rate the performance of mutual funds on a characteristics line graphically. The steeper the line, the more systematic risk or volatility a fund possesses. By incorporating various concepts, he developed a single line index, Tn, called Treynor index. The systematic risk is risk which is common to all securities of the same class in the market. His index measures the risk premium of the portfolio, where risk premium equals the difference between the return of the portfolio and the riskless rate. The risk premium is related to the amount of systematic risk assumed in the portfolio, the higher the value of Tn, the better the performance of fund. Sharpe (1966) explains in a modern portfolio theory context that the expected return on an efficient portfolio and its associated risk (unsystematic risk) are linearly related. By incorporating various concepts he developed a Sharpe index. In this paper he attempted to rate the performance on the basis of the optimal portfolio with the risky portfolio and a risk-free asset is the one with the greatest reward-to-variability .The unsystematic risk is related to particular security due to inefficient management. Moreover he has examined 34 open-end mutual funds (period 1954-1963) and finds considerable variability in the Sharpe ratio, ranging from 0.78 to 0.43.

OBJECTIVES OF THE STUDY:

1. To examine comparative performance of selected open ended schemes and BSE-30 in terms of risk and return.
2. To know whether the mutual funds are able to provide reward to variability and volatility.

Research Methodology and Basic Concepts:

1. Research Type: The research type is descriptive
2. Scope: The scope of the study is limited to performance evaluation of open ended mutual funds in india. The scope of the study has 1st April 2009 to 31st March 2010
3. Data Collection: Secondary data is collected from books, online journals and websites.

In this study ten growth schemes of open ended mutual funds have taken. To measure the comparative performance BSE 30 has taken as benchmark.

The techniques of analysis:

1. Rate of return method:
$R = (P1-P0+D1)/P0$
Whereas P1 is the price at the end of the year P0 at the beginning And D1 is the dividends received during the year
2. Sharpe ratio (reward to variability ratio)
$S = (Rp-Rf)/\sigma$
Rp is the return from the scheme Rf is the risk free return and standard deviation measure the total risk

3. Treynor Ratio (reward to volatility ratio)
$T = (Rp-Rf)/\beta$
Rp is the return from the scheme Rf is the risk free return and beta measure the systematic risk.
Beta = Cov (RjRm)/ Square root of σm

Limitations of the study:

1. Time is too short to conduct the study. Due to shortage of time only ten schemes has been taken for analysis.
2. Study is based on secondary data. 3. Sample size is too small.

Findings and Analysis:

The findings and analysis of data has been presented in Table I to Table III. The analysis has based on rate of return method, SD, beta, Sharpe ratio and Treynor ratio. Rate of return method, Beta and SD has used to examine the comparative performance of mutual funds schemes and Sharpe and Treynor ratio has been used to know the reward for variability and volatility

Risk Return Table

Table-I

Year	2009-10	2010-11
Rate of return	23.69	11.23
SD	27.94	20.78
Sharpe Ratio	0.61	0.14
Treynor ratio	16.94	2.98

Table-II

Year 2009-10

Name of the schemes	Annualized return	SD	Beta	Sharpe Ratio	Treynor Ratio
HDFC Top 200 Fund	62.08	27.94	0.83	1.980315	66.66265
HDFC Capital Builder Fund	69.18	26.37	0.78	2.367463	80.03846
ICICI Prudential Top 200 Fund (Growth)	56.74	24.79	0.73	2.016539	68.47945
Tata Pure Equity Fund	55.94	28.49	0.82	1.726571	59.9878
LIC MF Noruma Equity Fund	51.73	33.28	0.99	1.351563	45.43434
ING Core Equity Fund	23.52	21.21	0.42	0.790665	39.92857
UTI opportunities Fund	54.33	29.71	0.88	1.601481	54.06818
Reliance vision Fund	55.35	30.52	0.89	1.592398	54.60674
Birla Sun life advantage fund	60.17	36.14	1.073	1.478141	49.78565
Kotak select Focus fund(from (01-09-2009)	8.46	18.21	0.71	0.093904	2.408451

We can see from table I and II in the year 2009-10 that HDFC capital Builder has the top performer. It has 69.18 returns and 26.37 SD and 0.78 beta. This scheme has given the reward for variability and volatility HDFC Top 200 Fund and Birla sun life advantage funds are on second and third position in terms of return. HDFC top 200 fund has shown better performance than Birla sun life advantage fund in terms of SD, Beta, Sharpe ratio and Treynor ratio. Birla sun life advantage fund has more risk than the benchmark .Kotak select focus fund has the poorer performer in terms of risk and return. Except two schemes all other schemes has performed better than bench mark. Except Kotak select focus fund all other schemes are able to give reward for variability and volatility. In that year all schemes has fulfilled the expectations of the investors

CONCLUSION

In the end the study concludes that in 2009-10 except ING core equity fund and Kotak select focus fund all even schemes performed better than BSE- Sensex. Except one scheme all were able to provide reward for variability and volatility more than the benchmark. Four schemes have more risk than sensex. In the year 2010-11 bench mark has outperformed than all schemes. All schemes have failed to give more reward for variability than benchmark. Only four schemes were able to give reward for volatility than benchmark. So at the end we can see that HDFC top 200 Fund, HDFC capital builder fund and UTI opportunity funds were able to fulfill the expectations of the investors in terms of risk and return.

SUGGESTIONS

The mutual fund industry is still in a nascent stage in India. Presently it focus on urban areas, the rural area is still untapped. In US the assets under management of mutual funds are more than 60% of the GDP as compared to a little above 8% in India. AUM as a percentage of bank deposits is also abysmally low in India, at 25 percent, while it is 140 percent in US and 96 percent in Brazil. In India more than 95 percent of the financial savings of the individuals still go into the traditional form of investment. If the proper attention is given, then it can grow rapidly. Government should do various efforts and take various steps to promote the mutual funds in India. In nutshell there is a need to create the awareness among the people regarding the importance of mutual funds.

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PROS AND CONS OF ONLINE – MARKETING

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In the era of globalization internet plays a vital role in all spheres of life and industries. Internet is very famous nowadays for satisfying people with various services related to various different fields. It is a very versatile facility which can help you in completing many tasks easily and conveniently with few clicks. It can be any work of daily usage or any specific service which needs a lot of research and formalities to be done beforehand, as well as this marketing is not an exception either. Online marketing, which is also called internet marketing, involves use of interactive, virtual spaces for the sake of promoting and selling goods and services. In fact, new synchronous, internet-based communication technologies had contributed to the restructuration of major economic sectors including marketing. Being cost-effective, flexible, and fast and enjoying an on unprecedented global reach, internet marketing has brought about different businesses incredible gains. However, this effective, new method also involves its special disadvantages, e.g. lack of personal contact, security and privacy, etc which should be taken account for. The present study, then, concentrates upon the impacts of internet-fostered interactive spaces on marketing practice. The paper starts with defining online marketing and reviewing historical background to utilization of online marketing; different kinds of internet marketing, then, will be shed light upon. The marketing opportunities stem from introduction of this new, virtual space is the next focal point of concentration. The study continues with challenges, such as problems of security, privacy, etc, emerged in the field of marketing from implementation of virtual space produces. Contemplating the solutions to tackle the challenges ahead, we provide the conclusions.

Key words: Internet-based communication, new synchronous, utilization of online marketing

INTRODUCTION

Online Marketing has outgrown as one of the most popular means of promoting the products and services offered by a business organization. The global Online Marketing industry is worth several billion dollars and is expanding at a fast pace. Unlike all the good things about Online Marketing, there are some challenges which need to be met in order to explore the massive offerings of Online Marketing. Through this post of mine, I am making an attempt to familiarize with the pros and cons of Online Marketing. Marketing business via the internet can helps to gather numerous customers from all over the world because internet is the only medium that is able to cross geographic and national boundaries. In addition to this, promoting the business via internet is also extremely cost-efficient and hence highly suitable for small-sized and mid-sized business professionals. Through this firms can stay connected with the customers on a real-time basis via the World Wide Web. It is easier to get instant feedback from the customers once the firm connected with them via internet. One of the major advantages of online marketing is that potential customers can access the products and services round the clock, which indirectly means non-stop sales and profits Cost.

The initial costs of a business website can be really high. Firms might be required to spend huge loads of cash over the required software and hardware, website maintenance etc. In addition to this, there is a huge majority of customers who don't rely on what they see on the internet and want to have more information about a particular product/service in person. Such customers would actually never buy something online. The biggest disadvantage of internet marketing is its vulnerability to fraudulent activities. Spamming has become the biggest challenge for internet marketers. Since internet lacks the human touch, many customers find it risky to share their personal details such as credit card number, telephone number etc over the internet. Lack of human interaction and trust. Because Online Marketing is done via the internet exclusively, there is no way for your potential customers to actually see the products or interact with people Competition. Online Marketing is a saturated market, so it's important to have tools that helps to stand out from the competition.Many businesses find it helpful to consult with or hire an advertising firm or design company to help them with their marketing strategy. Because online marketing comes with so much competition, it's worth a second thought before you jump in and try to market your own business online. Online marketing offers so many benefits when done properly and helps to connect with a broader customer base. Avoid wasting time and money and consider a web design and marketing company to helps to stand out and see better sales.

OBJECTIVES OF THE STUDY:

1. To define the meaning of online marketing
2. To observe the online marketing environment
3. To analyze advantages and disadvantages of online marketing.

METHODOLOGY OF THE STUDY

Taking into consideration methodologies that were employed in this research, it could be said that author used observation and survey methods. The author utilized the main advantages of the internet and conducted a research on online bases through different marketing forums, blogs and social websites, where were created special themes and asked such questions as: “What internet marketing is? What are the main problems of internet marketing? What are the main pros and cons, advantages disadvantages in internet marketing?” The research started at 1st of February and finished at 1st of March, by the end there were collected more than 200 responses, the contexts of which are analyzed, sorted out and represented in the following chapters. As well as this the observation of variety of literature such as magazines, books, articles, journals etc. was used.

Different methods of online marketing

Online marketing which is also called internet marketing and e-marketing includes several methods and techniques which are introduced briefly as follows:

- **Online Advertising:** The most known technique of online marketing is online advertising. In this method virtual space is used to put marketing messages on websites to attract internet users. Just similar to methods offline marketing and other types of online marketing, the major objective of online advertising is to increase sales and build brand awareness. Online advertising involves using of internet for displaying promotional messages on the computer screens and refers to “deliberate messages placed on third-party websites ... search engines and directories available through Internet access”. Online advertising similar to TV ads uses the element of interruption. But it uses it in a much more creative. Contrary to TV advertisement, online advertisement do not force the recipient to pay attention to the promotional peace, but it tries to persuade or attract s/he to do so, because instead of coming in intervals it is placed along or among other non-marketing contents. The now empowered internet recipient still has the power to ignore the advertisement and it is totally up to her/him to click or not. Online advertising, sometimes called display advertising, uses different methods to display a marketing message online. Needless to say that with the progress of technology, new ways of practicing the art of online advertisement is developed. In addition to images, pictures, logos etc, other different methods now used in this field including interstitial banners, pop-ups and pop-unders, map adverts, floating advert, banner advert.
- **Email-marketing:** E-mail marketing, using e-mail for sending promotional messages to internet users, has been considered one of the more effective methods of online marketing. Among its benefits point to “high response rates” and “low costs” of email marketing and believe that this advantages “are rapidly turning email marketing into an invaluable tool”. Despite these benefits

email marketing suffers from deficiencies. One these problems are that online customers can easily ignore the received advertisements and even some email clients would decide to put them in the spam folder. So some measures should be taken to overcome the possibility of ignoring promotional emails on the part of customers. One of the solutions is to not solely rely on email marketing. Marketers should employ different channels and methods of marketing to increase the chance of success. Another measure to transcend problems of email-marketing is permission email marketing. “Permission marketing” has been coined by Godin. In this method recipients are asked for their permission to receive marketing messages from the commercial marketers. So unless the recipients have not expressed their consent, they will not send commercial emails.

- **Search Engine Optimization (SEO):** Nowadays it is hardly possible to imagine a business which has not its own website. But having a well-designed website does not necessary result in an ideal amount of visits. In order for this goal to be accomplished another type of online marketing, called SEM should be adopted. In fact, one of major methods of conducting online marketing is search engine optimization, which is also called search engine marketing. Davis (2006) defines it in this way: “SEO - short for Search Engine Optimization - is the art, craft, and science of driving web traffic to web sites… web traffic is food, drink, and oxygen – in short, life itself – to any web-based business”. Parikh and Deshmukh (2013) also offer this definition: “ Search engine optimization can be described as a cluster of strategies and techniques used to increase the amount of visitors to a website by obtaining a high-ranking placement in the search results page of a search engine (SERP)”2 . The importance of search engine optimization lies in the fact that customers most of the time use engines as a major gate to get around in the internet. So some marketing techniques have been developed to enhance the rank of intended business websites in the search engine results. The purpose of SEO strategies is to place a given website among highly listed entries returned by search engines which in its turn produces more traffic. So, “Web site owners, webmasters and online marketers want search engines to send traffic to their site. Therefore, they need to make sure that their sites are relevant and important in both the eyes of the search engines and the users.”

- **Affiliate marketing:** Affiliate marketing is a major component of package of online marketing methods and refers to the process of gaining a commission by promoting products or services of another company. Also in this method two or more website owners can build relationship to increase mutual financial benefits. With respect to its definition, “affiliate marketing is simply defined as : A web-based marketing practice , often using automated systems or specialized software in which a business rewards their affiliate for each visitor, customer, or sale which is brought about as a result of affiliate's marketing efforts. In most cases, the reward is monetary in the form of a monthly check.

- **Social Media Marketing:** Social media marketing, can be easily defined as" a term used to describe the process of boosting website traffic, or brand awareness, through the use of social media networking sites…most social media marketing programs usually revolve around creating unique content that attracts attention and encourages the viewer to share it with their friends and contacts on social networks

Advantages of Online Marketing

1. Low-cost promotion strategy. There's no doubt that Internet marketing requires no large capital investment and there is no physical capital to worry about, as everything is online.
2. Each a global market. Online marketing also lets your business reach customers around the world. Because your business isn't limited to a particular geographic location, you can reach a much wider target audience and have a higher chance of success.
3. Reach your target market easily. Online marketing can also help to reach the target market immediately and potential customers will be able to find a quick search.
4. Convenient payment collections. With e-commerce enabled the website, and also be able to collect payment easily and conveniently.
5. 24/7 advertising. online marketing will be available and visible 24 hours a day, 7 days a week.
6. Affiliate marketing. Firms can earn passive income from affiliate marketing combined with their Internet marketing.

Disadvantages of Online Marketing

1. No instant trust. Because online advertising is everywhere, there is no way for potential customers to tell if the marketing is good or bad. It can take some time for a business marketing online to gain the trust of users.
2. Competition. One of the biggest downsides to online marketing is the stiff competition. It can be very difficult to make your business and information stand out with companies around the world competing.

3. Skill and knowledge required. Online marketing today also requires a great deal of knowledge and skill to be successful.

CONCLUSION

Internet has revolutionilized every aspect of life including economy and marketing. Introducing major techniques and methods of online marketing, this study has shed light upon opportunities and challenges of Internet. The major advantages internet has are its Empowering effect, Elimination of geographic barriers, target reaching, immediate results, cost effective, reaching wider or international auditory, measurable result, can be personalized, relationship build, 24 hours / seven days availability. However, implementation of Internet in the field of marketing involves special disadvantages such as: copying, too much add clutter, unserious perception, unconformity to the product, too much competition, damage by negative feedback, technology dependence, is not embraced by all people and lack of trust. As the Internet continue to evolve, new technologies in Internet marketing will emerge and will define how products and services will be marketed in the near future. Getting a better understanding of the power of Internet marketing by giving a comprehensive look at its advantages and disadvantages will prepare business owners and digital marketers in years to come.

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FINANCIAL PERFORMANCE OF ANDHRA PRADESH GRAMEENA VIKAS BANK – AN EMPIRICAL STUDY

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ABSTRACT

This paper examined the financial performance of Andhra Pradesh Grameena Vikas Bank. Regional rural banks help the rural people to come out from financial problems and secure financial assistance for agriculture in India. The study concentrated on Andhra Pradesh Grameena Vikas Bank. It was of utmost importance in Andhra Pradesh state to provide financial support to agriculture and performance of the bank in various identified potential areas. The financial performance of banks denote the level of efficiency, effectiveness and timeliness with which various activities of banks were being undertaken as per the objectives stated in the bylaws. The study analysed the selected financial ratios of APGVB. The relevant data was extracted from the annual reports between financial years 2004-05 to 2013-14.

Key words: Net Worth, Debt Equity, NPAs, Operating Profit of APGVB.

INTRODUCTION

The financial performance evaluation mainly depends upon the financial statements analysis or the financial performance evaluation can be done with the help of financial statement. Analysis of financial statement gives comprehensive understanding of business operations and their impact on the financial health. The financial performance of the banks denotes the level of efficiency, effectiveness and timeliness with which various activities of banks were being undertaken as per the objectives stated in the bylaws. Properly analyzed and interpreted financial statements can provide valuable insights into a firm's performance. Analysis of financial statements is of interest to lenders (short-term as well as long-term), investors, security analysts, managers and others. Financial statement analysis may be done for a variety of purposes. It is helpful to spotlight the significant (profit & loss account and balance sheet) facts and relationship concerning managerial performance, corporate efficiency, financial strengths and weaknesses and credit worthiness of the firm.

Profile of APGVB

India's largest bank, the State Bank of India also focused on development of rural farm sector and rural non farm sector, with accent on the Rural poor, Rural ISB and Rural Crafts by merger of five banks in Andhra Pradesh in 2006 which include Sri Visakha Grameena bank, Nagarjuna Grameena Bank, Sangameswara Grameena bank, Manjira Grameena Bank Kakathiya Grameena bank and introducing as Andhra Pradesh Grameena Vikas Bank with head quarter at Warangal by giving various facilities like low rate of interests and best credit facilities etc. The Andhra Pradesh Grameena Vikas Bank covered eight districts in undivided AP, majority of them are backward Districts i.e. Mahabubnagar, Nalgonda, Medak, Warangal, Khammam, Visakhapatnam, Vizianagarm, Srikakulam. The ownership shares to be maintained are Government of India 50% and Government of Andhra Pradesh 15% and State Bank of India 35%. The APGVB grow with consistent performance from branch level to Regional level. During the year 2013-14, the focus of the bank was spread across many areas in business development. The most significant of them were structural adjustment in deposits portfolio for sustainable business growth. The increased lending to SHGs and small farmers and data corrections in CBS to rectify Technical NPAs for implementation of system generated NPAs.

REVIEW OF LITERATURE

(1) Mohi-ud-Din Sangmi (2010) study carried out to evaluate the financial performance of the two major banks operating in Northern India. This evaluation has been done by using CAMEL Parameters, the latest model of financial analysis. (2) Aparna K. (2011) "Amalgamation of Deccan Grameena Bank", enumarated about the achievement of the objectives of amalgamation of four RRBs sponsored by State Bank of Hyderabad in Andhra Pradesh State. (3) Jashekharappa and Kundan Basavaraj (2012) "Effective Credit System Of Pragathi Gramin Bank: A Study" the present study the role of RRBs in rural credit structure has been analyzed. The study examine that the PGB has been tremendous achievement in disbursing loans to both the sector. (4) Thirumal R. (2012) conducted a study on "Factors Influencing Profitability of Regional Rural Banks (RRBs)". The study revealed that Regional Rural Banks (RRBs), emerged as an important financial institution in India for meeting the rural credit requirement. (5) Jarupula Chinna (2013) conducted Performance Evaluation of Regional Rural Banks (RRBs) in India. The study found that the performance of RRBs in India significantly improved over time, as steps for their improvement were initiated by the Government of India after the amalgamation process.

OBJECTIVES OF THE STUDY

The main objectives of the study are:

1. To analyse the Profile of Andhra Pradesh Grameena Vikasa Bank.
2. To examine the Financial Performance of AP Grameena Vikas Bank.

HYPOTHESES OF THE STUDY

following hypotheses are tested.

1. There is a significant difference in net worth ratio of APGVB during the study period.
2. There is a significant difference in debt equity ratio of APGVB during the study period.
3. There is no significant difference in Net NPAs to Net advances ratio of APGVB during the study period.
4. There is a significant difference on the ratio of Net NPAs to total assets of APGVB during the study period.
5. There is no significant difference in profit to average working fund ratio of APGVB during the study period.
6. There is significant difference in liquid assets to total deposits ratio of APGVB during the study period.

Source of data and Methodology

The present study is a case method of research for which the required data has been collected from the secondary sources comprising of published annual reports of APGVB from 2004-05 to 2013-14 and various studies made available through library works. The collected data have been analysed in six ways (a) Net Worth ratio, (b) Debt Equity ratio, (c) Net NPAs to total assets ratio, (d) Operating profits to average working fund ratio, (e) Net profit to average assets ratio and (f) Liquid assets to total deposits ratio. The collected data was processed, tabulated and analysed in a systematic manner and for the data analysis various statistical methods have been applied such as mean, standard deviation, co-efficient of variance and t-test in this study.

Financial Performance of APGVB

An attempt is made to evaluate the financial performance of Andhra Pradesh Grameena Vikasa Bank post amalgamation with the help of various financial ratios are (a) Net Worth ratio, (b) Debt Equity ratio, (c) Net NPAs to total assets ratio, (d) Operating profits to average working fund ratio, (e) Net profit to average assets ratio and (f) Liquid assets to total deposits ratio. (A) Net Worth Ratio: Net Worth ratio establishes the relationship between shareholders fund to total assets of the bank to test the financial and credit strength. This ratio is an important ratio for determining the long term solvency and financial stability of the firm. It is also known as "Proprietor's Ratio", "Net Worth to Total Assets Ratio" or "Equity Ratio".

Net Worth Ratio =	Net Worth / Total Assets	X 100

Net Worth = Equity Share Capital plus Share Capital Deposits plus Reserves and Surplus

Total Assets = Total Fund

Table – 1

Net Worth Ratio of APGVB during 2003-04 to 2013-14

(Rs in Crores)

Year	Net Worth	Total Assets	Ratio %
2004-05	94.08	2742.58	3.43
2005-06	197.07	3236.16	6.09
2006-07	208.87	4149.54	5.03
2007-08	245.82	4802.16	5.12
2008-09	315.09	5483.32	5.75
2009-10	404.97	6122.98	6.61
2010-11	536.75	8491.31	6.32
2011-12	682.39	9865.29	6.92
2012-13	792.21	10197.29	7.77
2013-14	972.74	10614.34	9.16
Mean	444.999	6570.5	6.22
S.D	276.108594	2831.83	1.49
C.V	62.0470145	43.0991	24.03

Source: Annual Reports of APGVB

Table 1 reveals that net worth ratio of APGVB during the study period 2004-05 to 2013-14. The ratio is observed to have increased from 3.43 times in 2004-05 to 9.16 times in 2013-14. The average of net worth ratio is 6.22 times and standard deviation 1.49 and covariance is 24.03 per cent of the study period.

Table – 1 (A)

t-Test paired two sample for Means

	Variable 1	Variable 2
Mean	444.999	6570.497
Variance	84706.61732	8910278
Observations	10	10

Pearson Correlation	0.972607898	
Hypothesized Mean Difference	0	
df	9	
t Stat	-7.166878732	
P(T<=t) two-tail	5.26889E-05	
t Critical two-tail	2.262157158	

Table 1 (a) it is observed that the hypothesis are tested. The Pearson correlation is 0.97 (positive correlation) when the degree of freedom is 9 p-value of t-test is higher than critical value of t-test (2.262) at 5% level significance the null hypothesis is rejected and thus the alternative hypothesis (H1) is accepted at 95% level of confidence. Therefore, it may be concluded that there is a significant difference in Net Worth Ratio of APGVB during the study period.

Table 2 presents the information about the debt equity ratio of Andhra Pradesh Grameena Vikasa Bank during the period of study. The ratio is observed to have decreased from 27.3 times in 2004-05 to 2005-06, later it has increased to 18.9 times in 2006-07. After that it has declined to 9.9 times in 2013-14. The lower ratio of the APGVB is 9.9 times in 2013-14 and the higher ratio of the APGVB is 27.3 times in 2004-05 and the mean value of debt equity ratio is 15.76 times. The average amount of total debt (net side liabilities) of the APGVB on an average over the period is higher than the net worth. The average amount of total debt is Rs.5938.10 crores and average amount of net worth is Rs.445.00 crores. The average debt equity ratio is 15.76 times, standard deviation of debt equity ratio is 4.72 and the coefficient of variance is 29.98 per cent during the period of study. It can be seen that the APGVB is more dependent on debt capital compared to equity capital.

Table – 2 (A)

-Test paired two sample for Means

	Variable 1	Variable 2
Mean	5938.097	444.999
Variance	6564716.552	84706.62
Observations	10	10
Pearson Correlation	0.982016211	
Hypothesized Mean Difference	0	
df	9	
t Stat	7.628687896	

P(T<=t) two-tail	3.22913E-05	
t Critical two-tail	2.262157158	

Table 2 (a) it is observed that the hypothesis are tested. The Pearson correlation is 0.98 (positive correlation) when the degree of freedom is 9 p-value of t-test is higher than critical value of t-test (2.262) at 5% level significance the null hypothesis is rejected and thus the alternative hypothesis (H1) is accepted at 95% level of confidence. Therefore, it may be concluded that there is a significant difference in Debt – Equality Ratio of APGVB during the study period.

(C) Net NPAs to Total Assets: This ratio indicates the efficiency of the bank in assessing credit risk and, to an extent, recovering the debts. The ratio is arrived by dividing the Net NPAs by Total Assets. The ratio is calculated as under

$$\text{Ratio of Net NPAs to Total Assets} = \frac{\text{Net NPA}}{\text{Total Assets}} \times 100$$

Table – 3

Ratio of Net NPAs to Total Assets

Year	Net NPAs (Rs. in crores)	Total assets (Rs. in crores)	Ratio (%)
2004-05	43.79	2742.58	1.60
2005-06	51.38	3236.16	1.59
2006-07	62.39	4149.54	1.50
2007-08	54.58	4802.16	1.14
2008-09	42.83	5483.32	0.78
2009-10	43.84	6122.98	0.72
2010-11	136.38	8491.31	1.61
2011-12	200.4	9865.57	2.03
2012-13	172.81	10197.29	1.69
2013-14	228.56	10614.34	2.15
Mean	103.696	6570.525	1.48
S.D	69.65	2831.86	0.45
C.V	67.17	43.10	30.37

Source: Annual Reports of APGVB

Table 3 reveals that the ratio Net NPAs to total assets decreased from 1.60 per cent in 2004-05 to 0.72 per cent in 2009-10. Later it slightly increased to 2.15 per cent in

2013-14 (except 2012-13). The average ratio of Net NPAs to total assets is 1.48 per cent, standard deviation is 0.45 and coefficient of variation is 30.37 per cent during the period of study.

Table – 3 (A)
t-Test paired two sample for Means

	Variable 1	Variable 2
Mean	103.696	6570.525
Variance	5391.037938	8910483
Observations	10	10
Pearson Correlation	0.922957817	
Hypothesized Mean Difference	0	
df	9	
t Stat	-7.00960331	
P(T<=t) two-tail	6.25808E-05	
t Critical two-tail	2.262157158	

There is significant difference in the ratio of net NPAs to total assets as it is observed from the table 3 (a). The P-value of t-test is higher than the critical value of t-test at 5% level of significance. The null hypothesis (H0) is rejected and alternative hypothesis is accepted.

(D) Operating Profits to Average Working funds Ratio: This ratio indicates how much a bank can perform its operations net of the operating expenses for every rupe spent on working funds. This is arrived at by dividing the operating profits by average working funds.

(E) Net Profit to Average Assets: Profit to average assets indicates the efficiency of the banks in utilizing their assets in generating profits. A higher ratio indicates the better income generating capacity of the assets and better efficiency of management. It is arrived at by dividing the net profit by average assets, which is the average of total assets in the current year and previous year.

Table 4
Ratio of Net Profit to Average Assets

Year	Net profit (Rs in crores)	Average Assets	Ratio %
2004-05	53.11	2354.63	2.26

2005-06	23.06	2989.37	0.77
2006-07	10.58	3692.85	0.29
2007-08	36.95	4475.85	0.83
2008-09	69.27	5142.74	1.35
2009-10	102.84	5803.15	1.77
2010-11	108.13	7892.38	1.37
2011-12	120.1	8136.47	1.48
2012-13	159	9863.05	1.61
2013-14	180.53	10405.82	1.73
Mean	86.357	6075.63	1.35
S.D	54.42	2705.46	0.54
C.V	63.02	44.53	40.45

Source: Annual Reports of APGVB

From the above table 4 reveals that the ratio of net profit to average assets of APGVB has shown fluctuating trend during the period of study. The lowest ratio of APGVB is 0.29 per cent in 2006-07 and the highest ratio of APGVB is 2.26 per cent in 2004-05. The average ratio of APGVB is 1.35 per cent. Standard deviation 0.54 per cent and coefficient variance is 40.45 per cent during the period of study. It can be concluded that the bank is inefficient is income generating capacity of the assets by comparing 2004-05 and 2013-14.

Table 5

Ratio of Liquid Assets to Total Deposits

Year	Liquid assets (Rs in crores)	Total deposits (Rs.in crores)	Ratio %
2004-05	148.31	1875.27	7.91
2005-06	171.18	2188.95	7.82
2006-07	228.72	2718.01	8.41
2007-08	300.83	2933.51	10.25
2008-09	252.69	3393.89	7.45
2009-10	302.73	3804.51	7.96
2010-11	321.54	4794.72	6.71
2011-12	336.29	5146.67	6.53
2012-13	340.21	5869.18	5.8
2013-14	354.58	6791.18	5.22

Mean	275.71	3951.59	7.41
S.D	68.85	1555.26	1.36
C.V	24.97	39.35	18.33

Source: Annual Reports of APGVB

It is evident from the table 5 shows that the ratio of liquid assets to total deposits has increased from 7.91 per cent in 2004-05 to 10.25 per cent in 2007-08. Later it has decreased to 5.22 per cent in 2013-14 the average ratio of liquid assets to total deposits of APGVB is 7.41 per cent, standard deviation is 1.36 coefficient of variance is 18.33 per cent.

Table – 5 (A)
t-Test paired two sample for Means

	Variable 1	Variable 2
Mean	275.708	3951.589
Variance	5267.489818	2687598
Observations	10	10
Pearson Correlation	0.885944929	
Hypothesized Mean Difference	0	
df	9	
t Stat	-7.378311262	
P(T<=t) two-tail	4.19893E-05	
t Critical two-tail	2.262157158	

There is significant difference in the ratio of liquid assets to total deposits. It is observed from table 5 (a), that the p-value of t-test is higher than the critical value of t-test at 5% level of significance the null hypothesis (H0) is rejected and alternative hypothesis is accepted.

CONCLUSION

A high ratio indicates low risk and low ratio indicates high risk due to increasing of other risks. The high ratio of APGVB shows lower profit. The quality of credit portfolio of APGVB under study is not more attractive. The higher average net NPA ratio of APGVB during the period of study indicates the high quantity of risky assets for which no provision has been made. The efficiency of bank employees is relation to generating profit is not attractive. The level of liquid assets of the bank during the study period is satisfactory.

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NON-PERFORMING ASSETS MANAGEMENT – A RISE IN PROPORTION AND FALL IN PROVISION A DESCRIPTIVE STUDY OF NPAs IN INDIAN BANKS

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ABSTRACT

In liberalized economy banking and financial sector get high priority. Indian banking sector has a serious problem due to non performing assets. There was an almost 80 per cent jump in gross bad loans in 2015-16, according to a report. Gross bad loans of Indian banks widened to 7.6 per cent from 5.1 per cent in September and from 4.6 per cent in March 2015. In 2004, gross bad loans in the Indian banking sector touched 7.8 per cent, while the ratio was 11.1 per cent in 2002. "The stress in the banking sector, which mirrors the stress in the corporate sector, has to be dealt with in order to revive credit growth. Gross bad loans at commercial banks could increase to 8.5 per cent of total advances by March 2017, from 7.6 per cent in March 2016, according to a baseline scenario projection by the Reserve Bank of India (RBI) in its Financial Stability Report.

INTRODUCTION

NPA is defined as an advance for which interest or repayment of principal or both remain outstanding for a period of more than two quarters. The level of NPA act as an indicator showing the bankers credit risks and efficiency of allocation of resource.

Income recognition and provisioning

Income from NPA is not recognized on accrued basic but is booked as income only when, it is actually received. RBI has also tightened red the provisions norms against asset classification. It ranges from 0.25% to 100% from standard asset to loss asset respectively.

An Overview

As of June 2016, the total amount of Gross Non-Performing Assets (NPAs) for public and private sector banks is around Rs. 6 lakh crore. The amount of top twenty Non Performing Assets (NPA) accounts of Public Sector Banks stands at Rs. 1.54 lakh crores.

TABLE –I

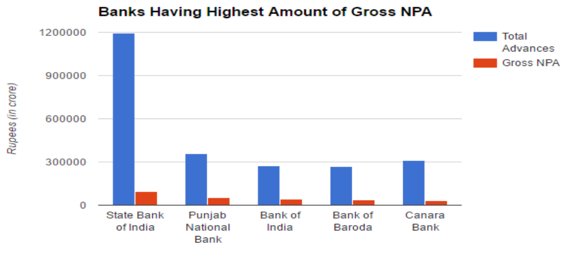
Gross NPAs OF Public and Private Sector Banks during June 30, 2016

S No.	Bank	Total Advances (Rs. in crore)	Gross NPA (Rs. in crore)	NPA Ratio (%)
1	Allahabad Bank	145,328	18,769	12.92
2	Andhra Bank	137,228	14,137	10.3
3	Bank of Baroda	269,115	35,604	13.23
4	Bank of India	274,391	43,935	16.01
5	Bank of Maharashtra	103,148	13,040	12.64
6	Bharatiya Mahila Bank Ltd.	627	3	0.4
7	Canara Bank	311,615	30,480	9.78
8	Central Bank of India	185,719	25,107	13.52
9	Corporation Bank	142,787	15,726	11.01
10	Dena Bank	81,114	9,636	11.88
11	IDBI Bank Limited	202,304	21,724	10.74
12	Indian Bank	122,173	8,690	7.11
13	Indian Overseas Bank	149,217	30,239	20.26
14	Oriental Bank of Commerce	150,301	17,209	11.45
15	Punjab & Sind Bank	63,134	4,566	7.23
16	Punjab National Bank	356,958	55,003	15.41
17	Syndicate Bank	167,759	13,475	8.03
18	UCO Bank	115,166	21,495	18.66
19	Union Bank of India	242,935	25,560	10.52
20	United Bank of India	70,781	10,104	14.28
21	Vijaya Bank	90,199	6,589	7.31
22	State Bank of Bikaner & Jaipur	74,033	4,593	6.2
23	State Bank of Hyderabad	112,420	9,436	8.39
24	State Bank of India	1,193,325	93,137	7.8
25	State Bank of Mysore	55,228	4,323	7.83
26	State Bank of Patiala	85,239	11,365	13.33
27	State Bank of Travancore	68,276	6,401	9.38
28	Catholic Syrian Bank Ltd.	7,859	455	5.79
29	City Union Bank Ltd.	21,216	555	2.62

30	Dhanlaxmi Bank Limited	6,771	475	7.02
31	Federal Bank Ltd.	59,408	1,747	2.94
32	ING Vysya Bank Ltd.	-	-	-
33	Jammu & Kashmir Bank Ltd.	50,640	4,715	9.31
34	Karnataka Bank Ltd.	35,412	1,389	3.92
35	Karur Vysya Bank Ltd.	39,382	702	1.78
36	Lakshmi Vilas Bank Ltd.	20,183	432	2.14
37	Nainital Bank Ltd.	2,776	145	5.21
38	Ratnakar Bank Ltd.	22,373	253	1.13
39	South Indian Bank Ltd.	41,705	1,652	3.96
40	Tamilnad Mercantile Bank Ltd.	22,329	489	2.19
41	Axis Bank Ltd.	300,173	7,909	2.63
42	Bandhan Bank Ltd.	13,358	29	0.22
43	DCB Bank Ltd	13,464	231	1.72
44	HDFC Bank Ltd.	440,955	4,724	1.07
45	ICICI Bank Ltd.	364,429	17,208	4.72
46	IndusInd Bank Ltd.	93,667	861	0.92
47	Kotak Mahindra Bank Ltd.	122,384	3,059	2.5
48	Yes Bank Ltd	103,411	845	0.82
49	IDFC Bank Limited	49,714	3,030	6.09

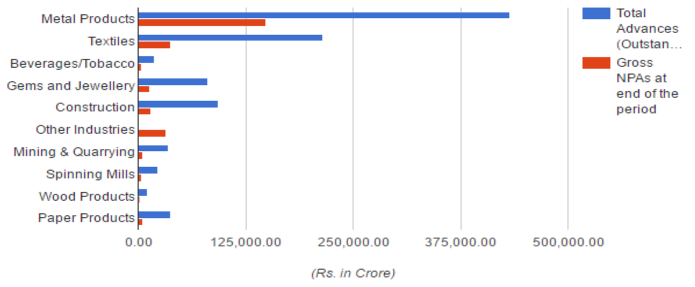
The table shows that the percentage of gross NPA/ gross advance and net NPA/ net advance are in an increasing trend. This shows the sign of inefficiency in public and private sector banks but still if compared to foreign banks Indian private sector and public sector banks have a lower NPA.

Banks Having Highest Amount of Gross NPA



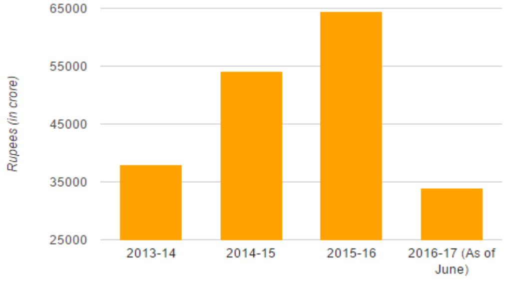
Inference - Basic Metal and Metal Products sector is the worst performing in terms of NPA ratio. As of June 2016, government data show that a third of all outstanding advances (Rs. 4.33 lakh crore) given to the sector turned to NPA (Rs. 1.49 lakh crore).

Top 10 Sectors Having Highest NPAs for Scheduled Commercial Banks



Inference - Textiles sector, and Beverages (excluding Tea and Coffee) and Tobacco sector follow, both having NPA ratio at around 17 per cent. Specific measures have been taken for sectors where the incidence of NPA is high, the government said in response to the parliament question. To improve the resolution or recovery of bank loans, IBC (Insolvency and Bankruptcy Code) has been enacted and SARFAESI (Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest) Act and RDDBFI (Recovery of Debts due to Banks and Financial Institutions) have been amended, the response said. Further, six new Debt Recovery Tribunals (DRTs) have been established for improving recovery.

Number of Property Seized / Possessed under SARFAESI Act



Inference - The SARFAESI Act allows banks and other financial institutions to auction residential and commercial properties when borrowers default on their payments. This helps the banks to reduce their NPA by recovery and reconstruction. Under this Act, 64,519 properties were seized or taken possession off by the banks in 2015-16. In the current financial year, as of June 2016, the number stands at 33,928.

Table – II

Gross and Net NPA of different sector of bank

(in %)	Net NPA	Gross NPA	Stressed assets*
March 2013	-	3.4	9.2
September 2013	2.3	4.2	10.2
March 2014	2.2	4.5	10
Septmeber 2014	2.5	4.5	10.7
March 2015	2.5	4.6	11.1
September 2015	2.8	5.1	11.3
March 2016	4.6	7.6	11.5

Banking sector gross NPA at 7.6%, highest in 12 years; Expected to rise further to 8.5% by March 2017

*Stressed Assets - Stressed assets = NPAs + Restructured loans + Written off

Management of NPA

The trend gives the percentage of NPA with an increment. This was due to ineffective recovery of bank credit, lacuna in credit recovery system, inadequate legal provision etc. Various steps have been taken by the government to recover and reduce NPAs. Some of them are.

1. One time settlement / compromise scheme
2. Lok adalats
3. Debt Recovery Tribunals
4. Securitization and reconstruction of financial assets and enforcement of Security Interest Act 2002.
5. Corporate Reconstruction Companies
6. Credit information on defaulters and role of credit information bureaus

CONCLUSION

The Indian banking sector is facing a serious problem of NPAs. The extent of NPAs is comparatively higher in public sectors banks. (Table I). To improve the efficiency and profitability, the NPAs have to be reduced. Various steps have been taken by government to reduce the NPAs. It is highly impossible to have zero percentage NPA. But at least Indian banks can try competing with foreign banks to maintain international standard.

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OUTSOURCING IN THE NEW PRODUCT DEVELOPMENT IN A GENERIC PHARMACEUTICAL COMPANY - A CASE STUDY

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ABSTRACT

In knowledge based industries like pharmaceutical industry, outsourcing plays an important role for the success of an organization. Outsourcing is becoming a core function in many of the industries to access new technologies, capabilities and additional resources. Companies can't possess all the capabilities and resources in-house, they can only achieve it by Outsourcing. This article examines how the outsourcing tool is being used for different applications in a pharmaceutical company. Companies can't have all the capabilities and resources with them, the competency of the companies can be judged how well they are sourcing the best capabilities and the best resources and the supply chain managers play an important role on this. This case demonstrates three projects which were handled in terms of Outsourcing.

INTRODUCTION

Outsourcing is a buzz word in many of the industries like pharmaceutical, R&D, Engineering and marketing. "It's no longer ownership of capabilities that matters but rather a company's ability to control and make the most of critical capabilities", stated by Mark Gottfredson, Rudy Puryear, and Stephen Phillips. No company can have all the capabilities and resources with them, the competency of the companies can be judged how well they are sourcing the best capabilities and best resources. Companies can't possess all the capabilities and resources in-house, they can only achieve it by Outsourcing. The Pharmaceutical industry is driven by technologies and science. No single company can have all the technologies with them and hence how well they are sourcing the technologies gives the competitive advantage to the company, this is a new discipline which is being evaluated in pharmaceutical industry as "Capability sourcing". Hence supply chain manager plays an important role of capability mapping and adding value to the value chain. Deciding on buy versus make, or outsourcing, offers a great potential value. It is not the only or the best solution. But the process of evaluating its merits offers us the opportunity to benchmark, identify options and determine whether the external provider can add value or not. External providers often do increase value through financial, strategic, skill and technical improvement. Naturally, we must agree that re-engineering internal processes cannot capture the same savings offered by an outsourcing opportunity.

Process development cycle

The entire process development of a new generic product (Active pharmaceutical Ingredient) can be divided into five phases, they are,

1. Define Phase
2. Research Phase
3. Design Phase
4. Develop Phase
5. Implement Phase

In the define phase the development team will be collecting all the literature about the product, route of synthesis and based on the literature information product requirement will be finalized. In the research phase the development team would be conducting the feasibility studies on the shortlisted route of synthesis and check whether it is working or not. During the design phase the development team would be optimizing the process parameters of the finalized synthetic route and the same will be executed in the plant scale and the synthetic process would be validated during the development phase. All the documentation work will be completed and the technology package will be submitted to regulatory agencies.

Outsourcing in pharmaceutical company can happen in the following areas,

1. Outsourcing Research and design phase, is called as out sourcing Developmental work
2. Outsourcing Develop phase, is called as Contract Manufacturing
3. Outsourcing all the phases, is called as co-development

The following template of ": McKinsey" is useful as a guiding document for Make or Buy decision.

High	Good	Do we need to stay good to maintain advantage?	Yes	Continue to develop internal skill/capability
			No	Outsource
	Not good	Do we need to become good to maintain advantage?	Yes	Plan to build skills
			No	Outsource
Low	Good	Can we do it cheaper?	Yes	Keep or develop lower cost supplier
			No	Outsource
	Not good	Should we be good or become good to gain advantage?	Yes	Plan to develop skills in-house
			No	Outsource

It is critical to have the right sourcing strategy in place before finalizing any outsourcing decisions. A decision to outsource technology, for instance, should be evaluated in terms of whether this is for the strategic reasons or for reasons of tactical/capacity management.

The following are the pros and cons of outsourcing

Category of Issues	Pros – Outsourcing	Pros – Keep in-house
Financial issues	Cost reduction Economies of scale Fixed price Risk reduction, shared risks Reduced capital requirements	Possible loss of control over key resources Cost of engaging and disengaging in the outsourcing process Level of service may be sub-optimal Dependence on external vendors

Strategic/ organisational issues	Focus on core business Increased flexibility Potential strategic partnership with service leader	Possible vendor lack of business know-how Synergy between function and business No leaks of confidential information
Skills/staff issues	Access to specialised knowledge Broad experience in tasks Partnership with other service providers Supplier experience in other industries can lead to new insights	Know-how remains in-house Difficulties with personnel transfer Possible clash of cultures
Technology issues	Early access to new technology Outsourcing provider has high bargaining power with other suppliers Good choice for complex, onetime projects	Direct access to suppliers Flexibility of being small Operational control Difficulty of termination

The following are the important three major reasons for outsourcing in pharmaceutical industry

1. To get financial and timeline benefit
2. To access additional capacity/resources
3. To get access to new technology or new capability

The following are the three projects to explain about the above three strategies,

To get Financial and timeline benefit (Dasatinib)

Dasatinib is an oncology project for which define phase was completed at "in-house" and decided to outsource Research and Design phase. It is a seven stage process which involves complex chemical synthesis. As this is an Oncology project, it requires a containment facility for development, which is a time consuming one.

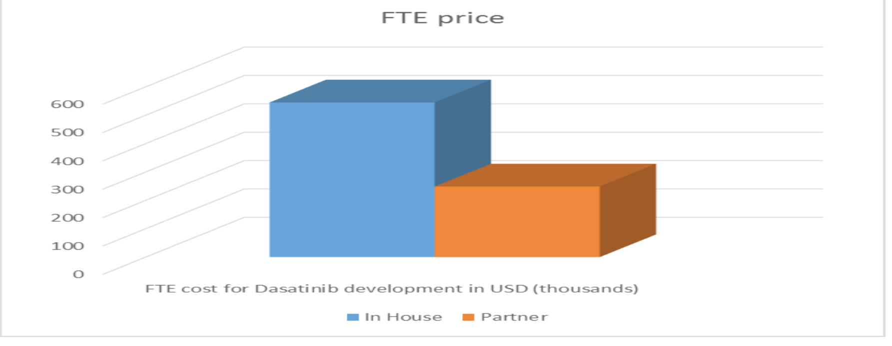
At any point of time based on the internal capacity only six oncology projects can be handled in-house. As already six projects are going on in the development cycle Dasatinib cannot start immediately in-house and needs to wait for six to seven months to introduce the project, hence it has been decided to outsource the developmental activity. It has been an exhaustive work on the “Make or Buy” decision and charted out all the pros and cons and finally decided to outsource this project.

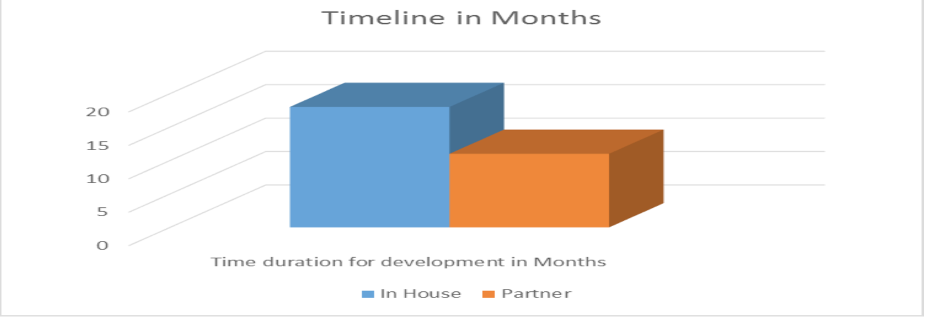
The FTE price has been derived based on the below calculations

Basis of FTE price in USD

Average Salary cost	19833
Other fixed cost	12667
Total cost	32500
Cost Per FTE per Month	2708

The project has been outsourced to the partner and the offer has been finalized to USD 2, 49,000 and the timeline for the project completion is eleven Months. The following chart demonstrates the advantage of this outsourcing.





The decision to outsource this development work is for the following reasons,

- The partner has previous experience in handling similar projects and has an expertise in this technology
- Advantage in FTE price
- Advantage of timeline
- Effluents handling and ensuring detoxification, which is time consuming
- Optimum utilization of internal resources.

To access additional capacity/resources (Apixaban)
Apixaban is an Anticoagulant and coronary artery drug used for the Prevention of venous thromboembolic events (VTE) in adult patients who have undergone elective hip or knee replacement surgery. It is a five stage process, in which first two stages are non -critical but requires important resources like stainless steel reactors and Glass lined reactors. As the capacity is a constraint, the detailed study has been conducted and decided to manufacture the first two stages at the partner's plant. This decision also helped to allot the in-house reactors and resources to a high value project which in turn yielded more benefits

The following are the equipment details for catering the validation batches.

Stage	Equipment	Size of the reactor in Kilo Litre(KL)	Usage in Hours	Total usage in Kilo hours
Stage-1	Stainless steel (SS)reactor	2	1080	2160
	SS Feed tank	1	1080	1080
	Filter	1	270	270
	Dryer	0.5	530	265
Stage-2	Glass lined (GLR)reactor	2	680	1360
	SS Feed tank	1	680	680
	Filter	1	230	230
	Dryer	0.25	410	102.5
		Total usage in KL hours		6147.5

The decision to outsourcing this development work (Contract Manufacturing) is for the following reasons,

- The partner has previous experience in handling similar projects and has an expertise in this technology

- Freeing up internal capacity to do more value added activities
- Optimum utilization of internal resources.
- De-risking the effluent treatment load

To get an access to new technology or new capability (Daptomycin)
Daptomycin is an antibiotic used in for the treatment of infections caused by Gram-positive organisms. This project is manufactured based on the fermentation technology. Our company doesn't have expertise in developing this technology and also does not have the facility to use this technology. Identified a technology partner who has an expertise to develop this technology and lock them by an exclusivity agreement. Based on the developed technology by the technology partner identified a contract manufacturer who has the fermentation manufacturing facility. Define, research and design phases have been completed at Technology developer's facility and develop and implement phased have been completed at contract manufacturer's facility.

The decision to outsourcing this development work is for the following reasons,

- As we don't have a manufacturing facility to handle fermentation technology, it took minimum two years to create a new facility. This outsourcing helped to avoid the lead time of two years and use the partner's facility immediately
- As the technology partner has an expertise to develop similar projects and fermentation technology, the time consumed for developing the technology is less than the new developers.
- Avoiding initial capital investment
- Advantage of timeline
- Optimum utilization of internal resources.

CONCLUSION

It is no longer the company's capabilities and resources that decide its competitive edge, it is how well that company is able to source and control the most valuable capability in its entire value chain. The new discipline of "Capability sourcing" and "Capability Mapping" are going to be the key factors to decide the success factor of any knowledge based industries like pharmaceutical industry. The product's technical understanding, creativity, market understanding and technological awareness of sourcing manager are important to have successful capability mapping.

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FINANCIAL LITERACY IN THE INDIAN CONTEXT - A NEED BASED APPROACH

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ABSTRACT

The proliferation of new and emerging financial products in India has made it imperative on individuals to equip themselves with the requisite financial knowledge. The financial skills are required to wade through the complexities arising out of the information gaps between the service seeker and the service provider. While the gap is addressed by a host of financial intermediaries in the formal financial sector, majority of India's population are part of informal sector and hence financially excluded even today . They do not have access to many financial services and are deprived of basic economic well being. Economic progress of any country mainly depends on the prosperity and financial wellbeing of its population. Hence concerted efforts are made by the government through various policy initiatives to promote financial education in India. The paper aims to explore the current scenario of financial literacy in India and examine various components to meet the objective of need based assessment in the field of financial education

Key Words: Financial education, Financial literacy, Financial inclusion.

INTRODUCTION

In recent years financial literacy has been recognised as a life skill, the accomplishment of which leads to a planned and secure future. Many studies emphasised on the significance of financial literacy in the ever complex and dynamic financial landscape of countries . Owing to the proliferation of new and emerging financial products in India post economic and finance sector reforms, there is an impending need to equip oneself with financial literacy in order to make informed choices. According to Greenspan(2003),"Today's financial world is highly complex when compared with that of generation ago. Forty years ago a simple understanding as to how to maintain a current and savings account at local banks and savings institutions may have been sufficient. Now consumers must be able to differentiate between wide range of financial products and services and providers of those services". Ben Bernanke (2011) highlighted the need for continual updating of financial literacy across all age groups because of the dynamic nature of the financial products and services as well as the changing needs and circumstances of individuals with time. The organised finance industry to a great extent has necessitated the information transfer through a host of financial intermediaries while in the informal sector the problem persists due to systemic problems.

While there are several widely used definitions of financial literacy, all of them indicate the ability of individuals to obtain, understand and evaluate information required to make decisions to secure their financial future as best as possible. The National Financial Educators Council defines financial literacy as: "possessing the skills and knowledge on financial matters to confidently take effective action that best fulfils an individual's personal, family and global community goals. The OECD definition of financial literacy is comprehensive and is widely accepted by the countries across the world - "A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing." (OECD INFE, 2005). The use of this definition provides the possibility of benchmarking the outcomes in the Indian context against the outcomes of other countries.

Global variations in financial literacy

According to Standard and Poor Global financial literacy survey, countries with highest financial literacy levels are Australia, Finland, Germany, Israel, the Netherlands, Norway, Sweden in the North Europe and the United Kingdom, where about 65 percent or more of adults are financially literate. Southern Europe registered lower levels of literacy rates with Greece, Spain, Italy and Portugal between 45% to 49% percent literacy rates and Romania with 22 percent.

South Asia is home to countries with some of the lowest financial literacy scores, where only a quarter of adults—or fewer—are financially literate.

In contrast, in the major emerging economies—the BRICS (Brazil, the Russian Federation, India, China, and South Africa)—on average, 28 percent of adults are financially literate. Disparities existed among these countries, too, with rates ranging from 24 percent in India to 42 percent in south Africa.

Financial literacy: Indian scenario

The underlying cause of low financial literacy levels in India can be attributed to the large proportion of its population living in rural areas where literacy rate is low and financially excluded segment have practically minimal access to the mainstream financial products and services. According to Sharma Mahendra, (2011) the marginalised section of the population is suffering from financial maladies like underinsurance, huge debt burden , insufficient retirement fund, inadequate return on investment etc., and the cause of all these is one and the same i.e."Financial

Illiteracy" .Only providing financial products to rural or urban areas is not sufficient, people need to be well-informed in terms of fundamental financial products, knowhow of financial market, benefits of availing financial services.

The series of economic reforms of India in 1991 signalled optimism in the economy with the increase in savings of individuals as a percentage of GDP . Now India has one of the highest saving rates in the world, but unfortunately due to lack of financial awareness, the allocation of these savings is not equally productive. Investments by households have been predominantly in secure avenues. Table -1 depicts the recent trends in the Indian financial market .It reveals that, much of the financial savings of the household sector are in the form of bank deposits (around 47% in the 2015), life insurance funds (19 %in the 2015 as against 9.6 %in the 1980s), and pension and provident funds (16.2 % in the 2000s as against 23% in the 1980s). There has been a decline in the proportion of pension and provident funds, particularly since the late 1990s.

Table -1

Financial Assets of the Household Sector (2012 -2015) (in Rs Billon)

Year	Currency	Bank Deposits	Non-Banking Deposits	Life Insurance Funds	Provident & Pension Funds	Shares & Debentures	Total Financial Assets
2012-13	1,116	5,750	172	1,820	1,240	438	10,244
2013-14	1,018	7,741	305	2,052	1,362	323	12,792
2014-15	1,317	5,792	274	2,347	2,008	570	12,356

* Life Insurance Fund includes Central or State Governments employees' insurance funds and postal insurance funds.
* Shares and Debentures include investment in shares and debentures of credit / non-credit societies, public sector bonds and mutual funds (other than Specified Undertaking of the UTI).

Source : RBI website

Shares and debentures accounted for 8.3 per cent of total financial savings in the1980s; their share increased to nearly 13 percent in the 1990s before declining to 4.8 per cent in the 2000s. Out of the total Gross domestic savingsin India, a major portion is contributed by household. It also shows that Indian people mostly invest in physical assets rather than financial savings i.e. stock market securities. Such lack of interest in financial savings can be due to financial illiteracy.

Need for a holistic policy Initiative to foster Financial literacy

Majority of the population in India is financially excluded and coexisting with various other financially included sections of population which invest in capital markets and use other advanced financial products. In India presently large number of stakeholders including the central and state governments, financial regulators, financial institutions, civil society, educationists and others are involved in spreading financial literacy. A holistic approach is expected to benefit the population as well as the country in the following ways:

Financial Education, Financial Inclusion and Inclusive Growth: Financial education play a vital role in making demand side respond to the initiatives of the supply side interventions. It strengthens and promotes both financial inclusion and inclusive growth.

Knowledge and skill: Financial literacy develops confidence, knowledge and skills to manage financial products and services enabling them to have more control of their present and future circumstances

Freedom from exploitation: Financial literacy will aid in protecting society and individuals against exploitative financial schemes and exorbitant interest rate charged by moneylenders.

Avoidance of over indebtedness: Financial education will help to avoid over-indebtedness, improve quality of services and make wise financial decisions.

Promote entrepreneurship: Small entrepreneurs who would be educated and already have a business sense will benefit through awareness about new financial products and help them to understand the dynamics of market mechanism and improve their business dealings.

Positive effects: Financial education can lead to multiplier effects in the economy. A well educated household would resort to regular savings, which in turn would lead to investment in right channels and income generation. The financial well being of individuals will in turn increase the welfare of the society.

Onus on Individuals to plan for future : A financially educated person would be in a better position to assess his/her own requirements and make savings in appropriate schemes. It reduces strain on social programs and pension plans, and fosters an economy that is more resilient.

Behavioural and Attitudinal Change: The proliferation of financial products has led to indiscriminate usage without the user realizing the financial implications. Financial Education can become an agent of behavioural and attitudinal change.

Deeper participation in Financial Markets: In India, we need to convert savers into investors. More participation of domestic retail investors in securities market will give dividends by Increasing depth of securities market, reducing dependence on foreign investors and domestic savers reaping benefits of Corporate Growth .

Approach towards fostering financial education

The mission of accomplishing financial education can be made possible by adopting a three pronged approach - a) Spreading awareness about basic financial products to link the financially excluded to the formal financial sector b) Educating the existing users of financial products and services to make informed choices and c) Ensuring consumer protection for all the users of financial products and services. Policies must be driven by the above trilogy of needs to ensure that the populace benefits at large.

a) spreading financial awareness can be possible through conveying simple messages of day to day finance like Why Save? Why invest? Why insure? Why you will need regular stream of income post working life –pension? Why save or invest regularly and consistently? Why insure fully? Why save with banks?

b) Educating the existing users of financial products and services to make informed choices is possible through an understanding of the key financial products one may need throughout one's life like bank accounts, insurance, retirement savings plans and securities market investments like stocks, bonds and mutual funds.

c) Creating an awareness of basic financial concepts like compound interest, present and future value of money, annuity, investment return, risk, protection and diversification will complement the efforts towards strengthening financial literacy. It is also important to develop skills and confidence to be aware of financial risk and opportunities and to benefit from them.

d) The most important component is consumer protection . Emphasis must be laid on the finance service provider to protect its consumer. Easy access to ombudsman is necessary and creation of awareness about district, State and National Level Consumer protection fora and providing quick and easy access of users of financial products and services to these bodies.

Suggestions for strengthening the reach

It is rightly said that give a man a fish and you will take care of his one meal but teach a man how to fish and that will take care of rest of his life. The same spirit holds true for an individual willing to acquire financial skill. Some suggestions for strengthening the reach of financial education in India.

a) Use of Social Marketing

The impact of social marketing on population is very high such as programs on polio and small pox eradication, prevention of child marriage, preventing female foeticide etc. These campaigns can serve as models for conducting social marketing initiatives in financial education.

b) Use of social networking websites like face book and twitter: The extent to which social networking has invaded our lives is a clear indication that it can serve as one of the efficient means of knowledge transfer. Financial education through effective technological interventions is envisaged.

c) Adult Education : Financial education should form an integral part of the adult education particularly for the marginalised and poor sections of the society

d) Associations to disseminate information: established bodies like consumer forums, Investor Associations , Associations of Policy holders, Deposit holders associations which are already engaged in making their members aware of rights and responsibilities can be made use of for furthering the cause of financial education.

Initiatives in the field of Financial Education in india

1. RBI's initiatives on Financial Education

Reserve Bank of India has undertaken a project titled "Project Financial Literacy".

2. SEBI's Initiatives on Financial Education

Securities Exchange Board of India has embarked on financial education on a nationwide campaign. To undertake financial education to various target segments viz. school students, college students, working executives, middle income group, home makers, retired personnel, self help groups etc., More than 3500 workshops have been already conducted in various states covering around two lakh and sixty thousand participants.Investor education programs are conducted by SEBI through investor associations all over the country. Regional seminars are conducted by SEBI through various stakeholders viz. Stock Exchanges, Depositories, Mutual Funds Association, Association of Merchant Bankers etc. SEBI has a dedicated website for investor education wherein study materials are available for dissemination.

3. IRDA'S Initiatives on Financial Education

Insurance Regulatory and Development Authority has taken various initiatives in the area of financial literacy. Awareness programmes have been conducted on television and radio and simple messages about the rights and duties of policyholders, channels available for dispute redressal. IRDA has got a pan India survey on awareness levels about insurance carried out through NCAER in a bid to improve on its strategy of creating insurance awareness.

4. PFRDA Initiatives on Financial Education

The Pension Fund Regulatory and Development Authority, India's youngest regulator has been engaged in spreading social security messages to the public. PFRDA has developed FAQ on pension related topics on its web, and has been associated with various non government organizations in India in taking pension services to the disadvantaged community.

5. Initiatives of market players on Financial Education

Commercial banks have initiated various measures for creating awareness through Financial Literacy and Counselling Centrses and Rural Self Employment Training Institutes on financial literacy. The objective of these centres is to advise people on gaining access to the financial system including banks, creating awareness among the public about financial management, counselling people who are struggling to meet their repayment obligations and help them resolve their problems of indebtedness, helping in rehabilitation of borrowers in distress etc. Stock Exchanges, Broking Houses and Mutual Funds have initiatives in the field of financial education that spans conducting of seminars, issuance of do's and don'ts, and newspaper campaigns.

CONCLUSION

Financial illiteracy is a deterrent to economic progress. Financial literacy is becoming increasingly important in the present scenario both to the educated and the uneducated alike. The need for financial literacy arises out of the need to be financially conscious while making informed decisions. Ever since economic reforms, India has been continuously striving to accomplish major socio economic objectives and in one such endeavour has directed its efforts in promoting financial literacy among its citizens. The role of financial institutions and regulatory bodies in promoting financial literacy is commendable. However financial inclusion of larger population is the need of the hour. To accomplish this, academic institutions like schools, colleges must work in tandem with the institutions to achieve the desired goal. Research in the emerging area of financial literacy must be followed by deliberate attempts to understand various influences on financial behaviour of individuals which enhances better policy decisions.

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PERFORMANCE OF UNDERPRICED IPOS IN INDIA - A STUDY ON IMPACT OF SELECT VARIABLES

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ABSTRACT
With the structural weaknesses present across globe which are not resolved and developed economies reported a sluggish growth. During the turbulent times Indian IPOs have been attracting huge amount of response across the country and retail investors are also taking increased participation in the IPOs. This paper is an attempt to find out the impact of select variables on the price performance of IPOs during the period of 2003 to 2013. Price performance of IPOs is calculated using Buy and Hold Abnormal Return (BHAR) and a Multiple Linear Regression is modelled to know the impact of the variables on the dependent variable for a period of three, six, nine and twelve months. During the period under study all the issues are separated on the basis of whether they are under-priced or overpriced and only the under-priced issues are considered.

Key words: Buy and Hold Abnormal Return, Initial Public Offers, Under-pricing.

INTRODUCTION
Going for IPO is the most important decision of a firm in it's financial life. IPO is the process of first sale of stock by a private company to the public in order to raise additional capital for expansion, diluting ownership where in a large privately owned company become publicly traded. IPOs have generated an enormous amount of interest in public and it is one of the most researched areas in finance. It is a well-known fact that newly floated companies often tends to underperform their peers during a period following the IPO (Sofia& Johanna). Companies choose to go to public in periods when they think they will receive the highest valuation in the market and that company going public during such periods will perform exceptionally bad in the post listing periods. This is apparent in the present study wherein out of 136 new issues 98 issues are in the Hot Market conditions and the remaining 38 issues are in the Cold Market conditions. In these 136 issues 90 companies have generated negative returns over a period of 3 months. This paper is different from the majority of the earlier studies in the past in that it is focused on the issues by separating under-priced from overpriced and tried to know the impact of select variables on the post listing performance of only under-priced IPOs. The same set of variable may influence the overpriced issues in a different way compared from the influence of

the variables on the under-priced issues. To know the impact of variables a Multiple Linear Regression is modelled by taking Annualized Returns generated by the issue for 3, 6, 9 and 12 months as the dependent variable and age of the firm, market condition (hot or cold), issue size, number of shares issued, number of times issue subscribed by retail individual investors, non-institutional investors and qualified institutional buyers, nature of the firm (government or private) and the offer time as the explanatory variables.

This paper is organized as follows. Section II explains the reforms in the Indian IPO Markets; Section III reviews existing literature; Section IV defines research objectives and hypotheses; Section V describes the sources of data and research methodology; Section VI exemplifies the results and explanations; and Section VII determines the findings, conclusions and implications for further research.

RECENT IMPROVEMENTS IPO MARKETS HAVE WITNESSED

The absence of conditions for perfect competition in the primary market makes the role of regulator extremely important. The duty of the market watchdog is to ensure that the market participants behave in a certain manner so that the securities markets function seamlessly and continue to be a major source of finance for the corporate sector and government in addition to the protection given to the investors.

The Indian IPO market had witnessed introduction or reforms with the aim of bringing in best practices and making the Indian IPO market on par with global markets. Some of the major reforms brought into Indian markets are

An unlisted company making an IPO should list on at least one stock exchange providing nation- wide trading terminals, in order to provide a liquid trading platform to investors.

SEBI's major concern towards Retail investors is always proven to be highest and further strengthening is given by introducing ASBA (Applications Supported by Blocked Amount). This application would authorize Self Certified Syndicate Banks (SCCBs) to block the application money in a bank account. The advantages to the retail investors are elimination of problems of delay in receipt, delay in credit, misplacement of refund orders. Further SEBI decided to extend the ASBA facility to QIBs also.

In the case of a pure Offer for Sale, the requirement that not more than 50 per cent of the net tangible assets shall be held as monetary assets shall not be applicable. The requirement of track record of distributable profits for at least three of the immediately preceding five years shall be compiled with on both a stand- alone as well as a consolidated basis.

Due diligence records have to be maintained by merchant bankers regarding pre-issue and post- issue activities issue management, takeover, buyback, and delisting of securities. And all the market intermediaries have to have proper internal controls to govern the conduct of their employees with which a new bar is put to avoid unauthenticated news related to various scrips in blogs, chat forums, e-mails etc. The price information of past issues handled by the merchant bankers should be disclosed along with the Due Diligence Certificate is instructed by revising SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

IPO Grading which mandates all the issuers of equity shares in IPO or any other security that may be converted into or exchanged with equity shares at a later date has to obtain a grading from at least one credit rating agency is abolished. The issuer can mention the price or price band in the draft Prospectus and the floor price or price band in the Red Herring Prospectus and can determine the price at a later date. The promoter's contribution in the case of an IPO should not be less than 20% of the post- issue capital. The retail individual investors or employees entitled for reservation making an application for equity shares and convertible securities of value not more than Rs 2 lakh may be offered equity shares and convertible securities at a price lower than the price at which the net offer is made to other categories of applicants, provided that such difference is not more than 10% of the price at which these are offered to the other categories of the investors.

One of the most crucial reforms SEBI has brought in is an Amendment to public shareholding requirement by enforcing all the listed companies to have a minimum of 25% public holding. This amendment is made to bring in transparency, continuity of market for listed securities, provide efficient price discovery mechanism, to improve liquidity to the investors and to minimize the scope for price manipulation.

Earlier it took on an average of 22 days to list the securities after an issue is closed. This exposed investors as well as issuers to market risks and led to infrastructural costs. SEBI has reduced this offer time (one of the explanatory variables in the present study) to 12 days.

REVIEW OF LITERATURE

Winner's Curse Hypothesis: Rock's (1986) asymmetric information theory (also called winner curse hypothesis) is most high-ranking model that has been developed to explain the new issue anomaly. Rock's model is based on two key assumptions: two kinds of investors, those who are informed about the true value of the firm and those who are completely uninformed about the true value of the firm. Informed investors are having knowledge about the future prospects and will only attempt to buy when the issue is under-priced .Uninformed investors on the other hand, don't know about under-pricing and over pricing of issues, and therefore don't discriminate between issues. They suffer from a winner curse as uninformed investors earn negative initial return. They get all the shares they want of the poor issues and they get small fraction of good issues. Due to this adverse selection problem, the uninformed investors will exit the market unless IPOs are sufficiently under-priced on average to compensate them for their informational handicap.

Information Gathering Theory: Benvenistc and Spindt (1989) introduced the "Information gathering theory" and stated that underpricing is a means to induce informed investors to reveal private information about the demand for shares in the pre-selling phase. In the IPO market, lead managers consult clients before setting offer price in prospectus. Lead managers may deliberately underprice an IPO, to attract more and more clients. They gather demand information from their clients during the pre-selling period, which forms the basis for pricing the issue. So the merchant bankers play game with many of their large clients.

Signal Theory: Allen and Faulhaber (1989) said that underpriced new issues "Leave good taste in investors' mouths". Firms tend to signal their quality to investors by offering their shares at relatively lower values and subsequent adjusting for the loss in their seasoned offering.

Jen Helwege and Nellie Liang (2004) in their article Initial Public Offerings in Hot and Cold Markets found that IPOs in both hot and cold markets are drawn from same handful of industries, and that cold markets may actually exhibit more industry concentration. The lower industry concentration in hot markets arises because many industries tend to have their hot markets at the same time.

Rohit Bansal and Ashu Khanna (2012) in their study Determinants of IPOs initial return: Extreme analysis of Indian Market communicates the positive link between the number of shares offered and degree of under-pricing. Their study reveals disparaging association between the retail subscription and the degree of under-pricing. No weighty link of private issuing firms with the level of under-pricing.

Vijay Kumar (2012) in his work A study of under-pricing, ownership and liquidity of Initial Public Offers and their impact on Performance of IPO stocks in Indian Financial Markets analysed the characteristics of the IPO process and their impact upon the IPO stocks post performance in the secondary markets. It is found that higher the under-pricing higher the subscription rate, that is greater the participation is undertaken by the number of investors.

Krigman, Shaw and Womack (1999) found that the first day performance provides the short run period returns i.e., the stock which performed better on the first day would provide higher returns in the first three months and the stocks which failed in the first three day would provide negative returns.

Ruhani Ali and Zamri Ahmad (2010) in their work An empirical investigation of the Under-pricing of IPOs in the Chittagong Stock Exchange proves that the offer size has significant negative effect on the degree of under-pricing or overpricing and the size of the company positively influences the degree of under-pricing. This work also found that timing of offer has no significant effect on the degree of under-pricing.

Research Objectives and Hypotheses

The paper attempts to find the impact of select variables namely percentage of under-pricing, age of the firm, market condition at the time of issue (dummy), issue size, number of shares offered, number of times subscribed by RIIs, NIIs and QIBs, nature of the firm (dummy), and offer time, on the returns generated by the stock over a period of 3, 6, 9 and 12 months.

1. To know the impact of variables on the performance of stock over a horizon of 3 months.
2. To know the impact of variables on the performance of stock over a horizon of 6 months.
3. To know the impact of variables on the performance of stock over a horizon of 9 months.
4. To know the impact of variables on the performance of stock over a horizon of 12 months.

H01: There is no impact of percentage of underpricing on the performance of IPOs
H02: There is no impact of the age of the firm on the performance of IPOs
H03: There is no impact of market condition (hot or cold) on the performance of IPOs
H04: There is no impact of issue size on the performance of IPOs
H05: There is no impact of number of shares offered on the performance of IPOs
H06: There is no impact of RIIs subscription rate on the performance of IPOs
H07: There is no impact of NIIs subscription rate on the performance of IPOs
H08: There is no impact of QIBs subscription rate on the performance of IPOs

H09: There is no impact of IPO Company (private or government) on the performance of IPOs
H010: There is no impact of offer time on the performance of IPOs

Sources of Data and Research Methodology:

Sample and data collection methods
The sample in this study comprises all the new equity issues offered through book building & fixed price mechanism on the National Stock Exchange (NSE), one of the major stock exchanges in India. The sample is taken for the period February 17, 2003 to June 5, 2013. The reason for selecting this period is that the Global Financial Crisis which embraced the world markets occurred in 2008 falls almost in the middle of the data selected. After excluding the offer for sale issues, and follow on public offers, sample is left with 308 IPOs for analysis and the sample size changes based on the period under consideration. Out of 308 issues 136 issues are under-priced and the remaining 172 are overpriced. The present study is only on the issues which are under-priced.

For the analysis, the data is collected by taking closing prices of the issue on the listing day, closing value of the Nifty on the listing day, issue price and closing value of the Nifty on the date of issue from NSE website and the monthly adjusted closing prices (adjusted for bonus issues, stock splits and dividend payments) of the issues and closing values of the Nifty were collected from Capitaline database to calculate returns for respective horizons.

Calculation procedure

The returns generated by different IPOs are calculated in consistent with the existing literature. In order to know market adjusted returns the market returns subtracted from simple returns generated by the issue.

Where
Pit is the closing price of the issue 'i' at time 't' $\mathbf{R_{it} = Ln \ (P_{it}/P_{io}}$
Pio is the offer price of the issue.
If Rit is positive one can infer that the investor gained on this issue, if Rit is negative investor has lost and if Rit is zero investor has gained nothing on this issue.
Because of the lag between the offer closing and listing of the issue the issue price may change from the day of offer closing to listing because of overall market movements. In order to calculate returns adjusted for market movements the returns from the market have to be calculated first.

$$N_{it} = Ln \left(\frac{Vt}{V0}\right)*100$$

Where V_t is the closing value of Nifty on day 't'
V_o is the closing value of Nifty on the day of offer closing.
Positive N_{it} indicates the market has moved up; negative N_{it} indicates market has weakened and if it is zero we can infer that market remained unchanged in the gap between offer closing and listing.
Market adjusted returns of the issue is calculated by subtracting N_{it} from R_{it}.

$$AR_i = (R_{it} - N_{it})$$

The positive value of Actual returns (adjusting for market movements) specifies that the issue is under-priced; negative value specifies that the issue is over-priced and zero indicates the issue is fairly priced.

To bring in similarity among the issues (as there will be a variance in the time lag between numbers of days of offer closing to offer listing in the secondary market), the actual returns of the issue is annualized by using the following formula.

$$\boxed{\textbf{Annualized } AR_i = AR_i * (360/N)}$$

Where, N is the number of days between offer closing and listing and listing of the issue.
For the analysis, the returns are calculated at monthly intervals for 3, 6, 9 and 12 months from listing. The performance is reviewed using Buy and Hold Abnormal Returns (BHAR).

$$BHAR_{i,t} = \left[\prod_{t=1}^{T}(1+R_{i,t})-1\right]-\left[\prod_{t=1}^{T}(1+R_{m,t})-1\right]$$

Where
$BHAR_{i,t}$= Buy and Hold Abnormal Returns for stock i for the month under consideration.
$R_{i,t}$ = Monthly return on the stock i for the t month.
$R_{m,t}$= Monthly return on the market for the t month.
The multiple regression model
Regression analysis is largely concerned with estimating and/or predicting the mean value of the dependent variable based on the known or fixed values of the explanatory variable(s). The interest is to know whether the explanatory variables are significant to influence the returns generated by the stock over different horizons. For this purpose, we estimate the following regression model:

$$\mathbf{AR = \beta_1 + \beta_2\, UP + \beta_3\, Ln\,(AGE) + \beta_4\, DMC + \beta_5\, Ln\,(IS) + \beta_6\, Ln\,(N) + \beta_7\, Ln(RII) + \beta_8\, Ln\,(NII) + \beta_9\, Ln\,(QIB) + \beta_{10}\, D(F) + \beta_{11}\, Ln(T) + \mu_i}$$

Table 1: Description of variables and their symbols used in regression model

Category	Symbol used in model	Variable/Dummy
Annualized Returns for different horizons	AR	Explained
% Under- Priced	UP	Explanatory
Age of the firm	AGE	Explanatory
Market Condition	DMC	Dummy
Issue Size	IS	Explanatory
Number of Shares Issued	N	Explanatory
Number of times subscribed by Retail Individual Investors	RII	Explanatory
Number of times subscribed by Non Institutional Investors	NII	Explanatory
Number of times subscribed by Qualified Institutional Buyers	QIB	Explanatory
Nature of Firm	F	Dummy
Offer Time	T	Explanatory

Annualized Returns: Market adjusted returns are calculated using the formula mentioned and for comparison sake we have standardized the returns by annualzing them.

Percentage of Under- Pricing: Market adjusted returns are calculated using the formula mentioned and based on the sign of the returns we can classify the stocks into Under, Over or fairly priced. If the adjusted return is positive, it is under- priced, if the adjusted return is negative it is overpriced or else fairly priced.

Age of the Firm: Firm's age is measured in years as the difference between the year of IPO issue and the year in which the firm is incorporated.

Market Condition (Hot or Cold- Dummy Variable) : Number of issues have taken month wise and 3 month centred moving average is taken. Top 1/3 months are considered as hot months where the activity of IPO issue is very high and the bottom 2/3 months are considered as cold period indicating that IPO activity is low.
Issue Size: The issue size is taken directly from the data available from NSE and

for the issues where data is not available number of shares multiplied by the offer price to arrive at Issue size. Natural Log is been applied to this value as a standard practice and to remove heteroskedasticity.

Number of Shares issued: Number of shares is been arrived by taking directly from the data. Again Natural Log is applied to make the value standardized and to remove heteroskedasticity.

Subscription Times: The subscription rate is measured as the total number of shares applied by different investor categories divided by the total number of shares allotted to respective investor category. Natural Log is applied to remove heteroskedasticity.

Nature of the Firm (Private or Government- Dummy Variable) : Data revealed that IPO issuing company can be either Private or Government. Therefore to analyse the impact of nature of the firm on returns, the presence of private firms in IPOs is shown with 1 and 0 for government firms.

Offer Time: It is measured as the time difference in days between the offer closing date to the date on which the IPO is listed in the secondary markets.

RESULTS & EXPLANATIONS:

Descriptive Statistics:

Descriptive statistics are used to summarize the mass data.

The table gives the summary statistics of the sample of IPOs. AR01 is the annualized return, UP is the percentage of under-pricing. Ln Age is the number of years between the incorporation to the year of listing, IS is the issue size and RII is Retail Investors who bid up to Rs 200000 (Rs 100000 up to Oct-2010). QIB represents Qualified Institutional Buyers, NII represents Non Institutional Investors and T represents time between issue closing and listing in the secondary markets.

Table 2: Descriptive Statistics

	AR01	UP	LNAGE	LNIS	LNN	LNRII	LNNII	LNQIB	LNT
3-mth									
Mean	-4.45	35.85	2.59	5.11	16.44	1.82	2.71	2.32	2.92
Median	-14.01	27.26	2.63	4.84	16.01	1.96	3.08	2.57	2.99
S. D	51.09	35.64	0.77	1.34	1.46	1.44	1.74	1.75	0.20
Skew	3.12	2.35	-0.01	0.85	1.03	-0.37	-0.47	-0.68	-0.13
Kurtosis	16.68	11.19	4.49	3.54	3.33	2.70	2.50	3.55	3.97

J-B	1235.8	488.1	12.16	17.41	23.91	3.50	6.19	11.97	5.59
6-mth									
Mean	-8.55	35.85	2.59	5.11	16.44	1.82	2.71	2.32	2.92
Median	-17.82	27.26	2.63	4.84	16.01	1.96	3.08	2.57	2.99
S. D	47.05	35.64	0.77	1.34	1.46	1.44	1.74	1.75	0.20
Skew	1.85	2.35	-0.01	0.85	1.03	-0.37	-0.47	-0.68	-0.13
Kurtosis	8.41	11.19	4.49	3.54	3.33	2.70	2.50	3.55	3.97
J-B	235.00	488.1	12.16	17.4	23.91	3.50	6.19	11.972	5.59
9-mth									
Mean	-11.33	36.23	2.59	5.08	16.43	1.83	2.71	2.30	2.92
Median	-29.82	27.61	2.63	4.79	16.01	1.99	3.08	2.57	2.99
S. d	66.72	35.77	0.77	1.31	1.44	1.45	1.75	1.76	0.20
Skew	2.55	2.34	-0.00	0.89	1.06	-0.39	-0.47	-0.67	-0.13
Kurtosis	12.95	11.09	4.44	3.74	3.46	2.69	2.47	3.51	4.02
J-B	672.62	470.4	11.17	20.0	25.68	3.79	6.25	11.14	6.01
12-mth									
Mean	-24.52	35.99	2.59	5.10	16.45	1.82	2.71	2.32	2.92
Median	-35.91	27.43	2.63	4.81	16.01	1.97	3.03	2.58	2.99
S. d	109.28	35.74	0.77	1.33	1.46	1.44	1.75	1.76	0.19
Skew	-2.76	2.34	-0.00	0.87	1.04	-0.38	-0.46	-0.68	-0.14
Kurtosis	34.34	11.11	4.47	3.61	3.33	2.69	2.48	3.52	4.04
J-B	5487.2	475.9	11.79	18.7	24.15	3.63	6.12	11.66	6.39

We have taken only the six items namely mean, median, standard deviation, skewness, kurtosis and Jarque- Bera which are available in the descriptive statistics. Mean or average is calculated by finding the sum of the data and dividing it by the number of observations. Median is the middle most value of the data set after arranging the data in ascending or descending order. Standard Deviation is the most widely used measure of dispersion to look out how spread out the study data is from a central value. Skewness measures the symmetric the distribution is. A symmetric distribution has skewness of zero, any asymmetric data with a positive skew will have long right tail and an asymmetric distribution with negative skew will have long left tail. Kurtosis quantifies whether the shape of the distribution matches with that of Guassian. Guassian distribution has excess kurtosis of zero and a distribution with positive excess kurtosis is Leptokurtic and a distribution with negative excess kurtosis is Platykurtic.

Results of Multiple Linear Regression model at 5% significance level:
6.2. a) Regression for returns calculated for a 3 month horizon: Based on multiple linear regression result it was observed that R2 is 11.28%. It means variation in dependent variable (AR) can be explained by explanatory variables up to 11.28%. The rest of variation in the regressand can be explained by residuals. By observing the probability values we can deduce whether the explanatory variable is significant (p-value ≤ 0.05) or not significant (> 0.05) to explain the dependent variable.

Table 3: Result of Multiple Regression Analysis for 3 months returns
The dependent variable in all the regression models is Annualized returns generated by the issue. DMC is a dummy to indicate whether the issue month falls into the hot or cold month.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-186.26	112.59	-1.65	0.10
UP	0.11	0.13	0.83	0.40
LN_AGE	-5.34	6.85	-0.78	0.43
DMC	-8.84	11.03	-0.80	0.42
LN_IS	4.62	6.30	0.73	0.46
LN_N	8.35	4.86	1.71	0.08
LN_RII	4.99	5.84	0.85	0.39
LN_NII	-1.52	4.90	-0.31	0.75
LN_QIB	-0.90	4.25	-0.21	0.83
D_F	-4.26	21.82	-0.19	0.84
LN_T	13.02	23.61	0.55	0.58
R-squared	0.11			
Adjusted R-squared	0.03			
F-statistic	1.52			
Prob(F-statistic)	0.13			

From the results of regression we can say that all the explanatory variables are not significant to explain the dependent variable as the p-vales are greater than 0.05. Accordingly all the null hypotheses are “failed to be rejected” in this case.

b) Regression for returns calculated for a 6 month horizon:
Based on multiple linear regression result it was observed that R2 is 17.14%. It means variation in dependent variable (AR) can be explained by explanatory variables up to 17.14%. The rest of variation in the regressand can be explained by residuals. By observing the probability values we can deduce whether the explanatory variable

is significant (p-value ≤ 0.05) or not significant (> 0.05) to explain the dependent variable.

Table 4: Result of Multiple Regression Analysis for 6 months returns
DF is a dummy to indicate whether the issue is from a government or private firm. The coefficients which are significant at 5% significance level are represented with *.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-174.05	100.20	-1.73	0.08
UP	-0.011	0.12	-0.09	0.92
LN_AGE	-6.57	6.09	-1.07	0.28
DMC	-22.50	9.81	-2.29	0.02*
LN_IS	2.57	5.61	0.45	0.64
LN_N	8.10	4.32	1.87	0.06
LN_RII	7.99	5.19	1.53	0.12
LN_NII	-1.18	4.36	-0.27	0.78
LN_QIB	-2.23	3.79	-0.59	0.55
D_F	-10.15	19.42	-0.52	0.60
LN_T	19.19	21.01	0.91	0.36
R-squared	0.17			
Adjusted R-squared	0.10			
F-statistic	2.48			
Prob(F-statistic)	0.01			

From the results of regression we can say that all the explanatory variables except market condition, are not significant to explain the dependent variable as the p-vales are greater than 0.05. Accordingly all the null hypotheses are “failed to be rejected” in this case. The p-value for the explanatory variable market condition (dummy) is significant in explaining the dependent variable as it has p-value of 0.0236. It’s relation with the dependant variable is negative indicating that the IPOs which have come during the hot market condition are generating negative returns over a period of time which is evident from theories that the IPOs will be issued at a higher price relative to it’s fair value to tap the situations prevailing in the market. Accordingly H03 is rejected.

c) Regression for returns calculated for a 9 month horizon:
Based on multiple linear regression result it was observed that R2 is 21%. It means variation in dependent variable (AR) can be explained by explanatory variables up to 21%. The rest of variation in the regressand can be explained by residuals. By observing the probability values we can deduce whether the explanatory variable is significant (p-value ≤ 0.05) or not significant (> 0.05) to explain the dependent variable.

For 9 month period significant variables are market condition and number of shares issued. The slope coefficient for market condition has negative sign and the slope coefficient for number of shares issued has positive sign. Significant coefficients are represented with *.

Table 5: Result of Multiple Regression Analysis for 9 months returns

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-263.90	143.53	-1.83	0.06
UP	0.01	0.169658	0.056	0.95
LN_AGE	-11.97	8.41	-1.42	0.15
DMC	-38.62	13.86	-2.78	0.01*
LN_IS	-6.41	8.04	-0.79	0.42
LN_N	17.00	6.30	2.69	0.01*
LN_RII	12.79	7.16	1.78	0.07
LN_NII	-6.18	6.02	-1.02	0.30
LN_QIB	1.97	5.27	0.37	0.70
D_F	-24.88	27.12	-0.91	0.36
R-squared	0.21			
Adjusted R-squared	0.15			
F-statistic	3.30			
Prob(F-statistic)	0.001			

From the results of regression we can say that all the explanatory variables except market condition and number of shares issued, are not significant to explain the dependent variable as the p-vales are greater than 0.05. Accordingly all the null hypotheses are “failed to be rejected” in this case. The p-value for the explanatory variables market condition (dummy) and number of shares issued is significant in explaining the dependent variable as p-value of 0.01 and 0.01. The relation of the dependant variable with market condition is negative indicating that the IPOs which have come during the hot market condition are generating negative returns over a period of time which is evident from theories that the IPOs will be issued at a higher price relative to it's fair value to tap the situations prevailing in the market. Accordingly H03 is rejected.

The relation of the dependent variable with the number of shares issued is positive, indicating that more the number of shares for offering, issue may generate positive returns. Accordingly H05 is rejected.

d) Regression for returns calculated for a 12 month horizon:

Based on multiple linear regression result it was observed that R2 is 6 %. It means variation in dependent variable (AR) can be explained by explanatory variables up to 6%. The rest of variation in the regressand can be explained by residuals. By observing the probability values we can deduce whether the explanatory variable is significant (p-value ≤ 0.05) or not significant (> 0.05) to explain the dependent variable.

For a 12 month period under study the explanatory variables are not significant to show the impact. The returns generated by the IPOs are not getting affected by the variables under consideration.

Table 6: Result of Multiple Regression Analysis for 12 months returns

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	129.90	252.45	0.51	0.60
UP	0.13	0.30	0.45	0.64
LN_AGE	-19.96	15.03	-1.32	0.18
DMC	-3.82	24.32	-0.15	0.87
LN_IS	-7.95	14.37	-0.55	0.58
LN_N	7.14	11.20	0.63	0.52
LN_RII	14.28	12.81	1.11	0.26
LN_NII	-6.06	10.76	-0.56	0.57
LN_QIB	-4.45	9.37	-0.47	0.63
D_F	-75.09	47.88	-1.56	0.11
LN_T	-37.98	51.95	-0.73	0.46
R-squared	0.06			
Adjusted R-squared	-0.01			
F-statistic	0.85			
Prob(F-statistic)	0.57			

From the results of regression we can say that all the explanatory variables are not significant to explain the dependent variable as the p-vales are greater than 0.05. Accordingly all the null hypotheses are “failed to be rejected” in this case.

Findings, conclusions and implications for further research

FINDINGS

For 3 month period under study all the explanatory variables are not significant to explain the dependent variable as the p-vales are greater than 0.05. Accordingly all the null hypotheses are “failed to be rejected” in this case.

For 6 month period under study all the explanatory variables except market condition, are not significant to explain the dependent variable as the p-vales are greater than 0.05. The market condition’s relation with the dependant variable is negative indicating that the IPOs which have come during the hot market condition are generating negative returns over a period of time which is evident from theories that the IPOs will be issued at a higher price relative to it’s fair value to tap the situations prevailing in the market. Accordingly H03 is rejected.

For 9 month period significant variable are market condition and number of shares issued. The slope coefficient for market condition has negative sign indicating that the issues which came during hot market conditions generated negative returns over a period of time. The slope coefficient for number of shares issued is positive indicates that more the number of shares issued in an IPO generates positive returns.

For a 12 month period under study the explanatory variables are not significant to show the impact. The returns generated by the IPOs are not getting affected by the variables under consideration.

CONCLUSIONS

The results show that out of 308 issues during the period under study only 136 companies are under-pricing comprising of 44%. Out of 136 new issues 98 issues (72%) are in the Hot Market conditions and the remaining 38 8%) 2issues are in the Cold Market conditions. The results from the regression model show that many of the explanatory variables are not significant to explain the returns of IPO stocks for different horizons. This result is in consistent with the earlier study of (Bhansal& Khanna, 2012) Determinants of IPOs initial return: extreme analysis of Indian market.

Implications for further research

The present study examines the impact of the select variables on the returns generated by different IPOs which are under-priced. The study is confined only to initial public offerings that are issued IPOs and listed in National Stock Exchange in India. Further studies can examine the significant impact of the variables on the returns generated by different IPOs in other major exchanges and by considering all type of issues as well as for the overpriced issues.

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