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A STUDY ON MOTIVATION AND JOB SATISFACTION OF INDIAN NAVY OFFICERS

Commodore Vivek Chawla,
Indian Navy (Retired), Research Scholar
Osmania University, Hyderabad

The spirit of sacrifice and selflessness of the defence forces is an inspiration for all Indians. Strong armed forces are necessary for an atmosphere of peace, amity, harmony, and brotherhood in the country.
Narendra Modi, Prime Minister of India

ABSTRACT

Every nation relies upon its defence forces to provide security from external threats and internal aggressions. It is important to have a motivated force, as armed forces personnel are required to make the ultimate sacrifice, i.e. give up their lives for the country when the occasion demands. In the recent past the Navy has been plagued with serious accidents on board ships and submarines, leading to extensive loss of precious assets and also human lives. On an average, the Indian Navy has lost one warship in peace time every five years. The moot question is that, in their Naval career, are the Naval Officers more oriented towards hygiene factors as compared to motivation factors? Are they more oriented towards comfortable living conditions than the job at hand? A research study on motivation and hygiene factors was undertaken with a sample comprising of 884 officers from the mid-level to higher management level ranks in the Indian Navy i.e from of the rank of Lt Cdr to Captain/ Commodore. The study could benefit and provide suggestions to not only the Indian Navy but also the corporate world in general on how to manage the Motivation and hygiene factors of their personnel and recommend whether process and policy improvements are required.

Keywords: Motivation, Job Satisfaction, Motivation factors, Hygiene factors

INTRODUCTION

The Indian Navy (IN) is the fifth largest in the world (1) . It is a highly modern and potent arm of the Indian Defence Forces and is known for its commitment to the highest standards of excellence and professionalism. The full range of operations in which the Indian Navy is involved is vast, ranging from high intensity war fighting at one end to humanitarian assistance and disaster relief operations at the other end. To meet the envisaged role, the Navy requires Officers who are ready to give up their lives for the nation and make the supreme sacrifice in war. Officers must have high motivation level in all situations so as to handle technological changes, manning shortages, training shortfalls, unforeseen incidents and accidents so as to maintain operational efficiency.

An article in India Today (5) reports that since 1990, the Indian Navy has lost one warship in peace time every five years. Since 2004, it has lost one naval combatant every two years. Although, foreign Navies also have accidents, the record of accidents in the Navy have led to the belief that few Navies like the Indian Navy have such a dubious record. On 26 Feb 2014, consequent to the spate of accidents and loss of lives of Naval officers and sailors, the Chief of the Naval Staff, Admiral DK Joshi took responsibility for the accidents and resigned on moral grounds (4) . Consequent to the spate of accidents in the Navy, no study has been undertaken on the motivation and hygiene aspects of the Naval Officers.

REVIEW OF LITERATURE

“Motivation is concerned with how behaviour gets started, is energized, is sustained, is directed, is stopped, and what kind of subjective reaction is present in the organism while all this is going on” (Jones). Motivation may be defined as the degree to which individuals commit effort to achieve goals that they perceive as being meaningful and worthwhile” (Johnson, & Johnson, 2003). On the other hand Job Satisfaction is the level of contentment a person feels regarding his job. The feeling is mainly based on an individual’s perception of satisfaction. Job Satisfaction can be influenced by a person’s ability to complete required tasks, the level of communication in an organisation and the way management treats employees. Keith Davis (2) has defined Job Satisfaction as a set of favourable or unfavourable feelings and emotions with which employees view their work.

With a view to determine what motivates people to work, Frederick Herzberg (3) attempted to explain satisfaction and motivation at the workplace with the Two Factor theory or Motivation Hygiene Theory. Herzberg’s findings reveal that motivators such as achievement, recognition, responsibility, advancement and possibility of growth, contribute substantially to the determination of one’s positive attitudes towards the job. These factors made little contribution to the formulation of negative work attitudes. They, therefore, form the core of human motivation and are mainly responsible for good work. They are related to the growth needs of an individual and have an uplifting effect on his attitudes and performance. The motivators or growth factors relate to job content of the work itself. These factors if present, serve to motivate the individual to superior effort and performance. The strength of these factors will affect feelings of satisfaction or no satisfaction, but not dissatisfaction.

Herzberg's findings reveal that background factors like work conditions, supervision, salary, security, workers relations with peers and subordinates etc., contribute more in determining the presence or absence of one's negative attitudes towards the job. They are assumed to be the result of avoidance needs. They produce no improvement in job performance as such, but serve to prevent the loss of morale or efficiency. They do not cure the disease but prevent it from spreading. They relate, therefore, to the context of the job. Proper attention to the hygiene factors will tend to prevent dissatisfaction, but does not by itself create a positive attitude or motivation to work. It brings motivation up to a zero state. The opposite of dissatisfaction is not satisfaction but, simply, no dissatisfaction. To motivate workers to give their best the manager must give proper attention to the motivators or growth factors.

Herzberg's theory suggests that if management is to provide positive motivation then attention must be given not only to hygiene factors, but also to the motivating factors. The work of Herzberg indicates that it is more likely good performance leads to job satisfaction rather than the reverse. Since the original study the theory was replicated many times with different nationalities and with different types of workers, including scientists, engineers, technicians etc. and found to be consistent with the original findings.

RESEARCH OBJECTIVE

To study, whether with regard to their career in the Indian Navy, Naval Officers are influenced by Motivators or Hygiene Factors

To study the preference and ranking for various elements of Motivation and Hygiene factors by Naval Officers of different ranks.

RESEARCH METHODOLOGY

The study is being carried out by descriptive and inferential statistics with the help of a questionnaire. The Period of Study for the primary information is 2014-16. The survey instrument was developed with the inputs taken from the instrument designed by Udai Pareek and Surabhi Purohit in their book titled 'Training Instruments in Human Resource Development (HRD) and Organisation Development (OD)'(6) . The Questionnaire was suitably modified for using it amongst the officers of the Indian Navy. Population for the study is all the Indian Naval officers of the rank of Lieutenant Commander, Commander and Captain/ Commodore whose strength is approximately 8400. These officers are posted to different Naval Stations and ships, spread across the country, and add up to approximately 100 Stations. The officers belong to different ranks – Lieutenant Commander, Commander, Captain and Commodore of the Executive, Engineering and Electrical branches of the Indian Navy. Stratified random sampling has been used by selecting all the Naval Commands and stations spread across the length and breadth of the country, for the purpose of sample frame.

HYPOTHESIS

Ho: Naval Officers of various ranks prefer Hygiene factors over Motivators with regard to their career in the Indian Navy,
HA: Naval Officers of various ranks do not prefer Hygiene factors over Motivators with regard to their career in the Indian Navy,

PILOT SURVEY

A pilot study was undertaken after administering the instrument to 100 respondents. The following Cronbach Alpha's were achieved: Overall instrument 0.857, Motivation factors: 0.822 and Hygiene factors: 0.696. The Cronbach Alpha Test value of 0.857 is considered to be good and the Survey Instrument was cleared for use.

DATA ANALYSIS

A Questionnaire containing motivation and job satisfaction factors (in no particular order) was administered to 1200 respondents of which 884 responses were found complete in all respects. The respondents were asked to rank the various Motivation and Job Satisfaction factors in terms of their preferred priority with regard to the Naval career. A ranking of 1 was given to the highest priority factor and so on, with 14 against the lowest priority factor. The rank wise analysis was carried out using MS Excel. The motivators and hygiene factors are as mentioned below.

Motivators	Hygiene Factors
Good Promotion Opportunities	Job Security
Interesting Work	Adequate Salary
Respect and Recognition	Fringe Benefits / Perks
Responsibility and Independence	Comfortable Working Conditions
Doing something worthwhile	Sound Policies and Practices
Technically competent seniors	Considerate and Sympathetic Senior Officers
Pay according to ability and competence	Restricted hours of work

The respondents belong to various Ranks and to various Branches in the Indian

Navy. The cross tabulation between Rank and branch of the respondents is as shown below:-

RANK	EXEC	% EXEC	ELECT	% ELECT	ENGG	% ENGG
CAPT/ CMDE	69	14	25	14	28	14
CDR	201	40	71	40	80	40
LT CDR	235	46	82	46	93	46
TOTAL	505	100	178	100	201	100

The preference for various motivation and hygiene factors rank wise and the overall response was computed and is as indicated below.

S.No	Motivators and Hygiene Factors	% Lt Cdr	% Commander	% Capt/ Cmde	Overall
1	Respect and Recognition (M)	3.99	3.85	3.29	3.83
2	Interesting Work (M)	5.23	5.05	4.33	5.02
3	Responsibility and Independence (M)	5.33	5.43	4.37	5.23
4	Doing something worthwhile (M)	5.24	5.65	4.92	5.37
5	Job Security (H)	5.25	5.17	5.24	5.22
6	Adequate Salary (H)	5.68	5.72	6.10	5.76
7	Good Promotion Opportunities (M)	7.07	6.76	6.65	6.88
8	Sound Policies and Practices (H)	7.25	7.59	7.03	7.36
9	Comfortable Working Conditions (H)	8.53	8.14	8.58	8.37
10	Fringe Benefits / Perks (H)	8.76	8.77	9.73	8.90
11	Technically competent seniors (M)	8.88	9.10	9.36	9.04
12	Considerate and Sympathetic Senior Officers (H)	9.66	9.62	9.75	9.65

13	Restricted hours of work (H)	9.57	9.46	10.47	9.66
14	Pay according to ability and competence (M)	9.56	9.69	10.24	9.71
	TOTAL	100.00	100.00	100.00	100

The summated rank ordered preferences (sum of all Motivators and Hygiene factors) is as indicated below:-

RANK	% HYGIENE FACTORS	% MOTIVATION FACTORS	NET PREFERENCE
Lt Commander	54.70	45.30	-9.39
Commander	54.47	45.53	-8.94
Captain / Commodore	56.87	43.13	-13.73
Overall	54.91	45.09	-9.83

Since rank 1 is for the highest preference, in the summated results, the lower score, is indicative of the higher ranking or preference for the particular factor. Based on the above, it is observed that the overall sum of rankings of motivation factors is less than that of Hygiene factors indicating that officers of all the ranks prefer Motivators to Hygiene factors in their career in the Navy.

Overall analysis of the data also indicates that Officers of all ranks prefer Motivators to Job Satisfaction factors in their career in the Navy. The net preference is as shown in the figure above. Therefore based on the analysis there is sufficient statistical evidence to reject the null hypothesis.

Data analysis shows the rank wise preference for motivators and hygiene factors among officers of different ranks and is as below:-

RANK	CAPTAIN/ COMMODORE	COMMANDER	LIEUTENANT COMMANDER
I	Respect and Recognition	Respect and Recognition	Respect and Recognition
II	Interesting Work	Interesting Work	Interesting Work
III	Responsibility & Independence	Job Security	Doing something worthwhile

IV	Doing something worthwhile	Responsibility & Independence	Job Security
V	Job Security	Doing something worthwhile	Responsibility & Independence
VI	Adequate Salary	Adequate Salary	Adequate Salary
VII	Good Promotion Opportunities	Good Promotion Opportunities	Good Promotion Opportunities
VIII	Sound policies and practices	Sound policies and practices	Sound policies and practices
IX	Comfortable working conditions	Comfortable working conditions	Comfortable working conditions
X	Fringe benefits	Fringe benefits	Fringe benefits
XI	Technically competent seniors	Technically competent seniors	Technically competent seniors
XII	Considerate and Sympathetic Senior Officers	Considerate and Sympathetic Senior Officers	Considerate and Sympathetic Senior Officers
XIII	Restricted hours of work	Restricted hours of work	Restricted hours of work
XIV	Pay according to ability and competence	Pay according to ability and competence	Pay according to ability and competence

FINDINGS

To summarise, the research findings Rank wise indicate that

- Overall preference is for Motivators rather than hygiene factors.
- Respect and Recognition followed by interesting nature of work is the most sought after by the Naval Officers of all ranks.
- For Commanders, Job Security is ranked higher than Responsibility and Independence and doing something worthwhile.
- For Captain / Commodore responsibility and independence is ranked higher than doing something worthwhile and Job Security.
- For Lt Cdrs, doing something worthwhile is ranked higher than job security and responsibility and independence.
- Adequate Salary is considered more important than good promotion opportunities by all ranks.

- Sound policies and practices is an important hygiene factor for providing Job Satisfaction. .
- Cdrs and Lt Cdrs have a higher preference for Comfortable working conditions and good fringe benefits as compared to Captain / Commodore
- Having technically competent seniors is considered more important than Considerate and Sympathetic Senior Officers.

CONCLUSION

The aim of the research was to study whether Naval officers of various ranks prefer motivational factors to hygiene factors in their workplace. Based on the research, there is sufficient evidence to reject the null hypothesis. The findings of the study are that for a Naval officer, Motivation factors are of higher importance than Hygiene factors. Naval Officers rank Respect and recognition and interesting work as their first and second choices, whereas adequate salary is ranked much lower in the preference. The study also reveals that although hygiene factors may not be very important during war they are an important factor for providing satisfaction. To ensure that the Hygiene factors of the Officers are met the Navy needs to provide good and conducive working conditions to foster the highest levels of productivity, have sound Policies and Practices as these form the backbone of any organisation and provide restricted hours of work.

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STATUS QUO BIAS EFFECT ON INVESTMENT DECISIONS OF INDIAN INDIVIDUAL EQUITY INVESTORS – AN EMPIRICAL ANALYSIS

Dr. Syed Tabassum Sultana, Principal
Matrusri Institute of PG Studies,
Saidabad, Hyderabad.

ABSTRACT

The status quo bias is the tendency of the investor to maintain a previous decision regardless of changes in the investment environment. It is an emotional bias, which operates in investors who prefer the things to stay relatively the same. The current study tries to understand Status quo bias and its implications for investors and also makes an effort to find empirical evidence whether Indian individual equity investors exhibit Status quo bias while making investment decisions. The empirical evidence shows that only 45.12 percent of investors exhibit status quo bias, reluctant to change the present status. Consequently it has been concluded that majority of the Indian individual equity investors did not exhibit status quo bias while making investment decisions.

Keywords: Status quo Bias, Investor, Decision Making.

INTRODUCTION

Bias is a propensity to make decisions while already being influenced by an underlying belief. Behavioral biases fall into two types, cognitive and emotional, with both categories leading to irrational judgments. Emotional bias refers to the fact that a person will tend to believe something that is pleasant or uplifting even if there is ample evidence to the contrary. Status quo bias, term was coined by William Samuelson and Richard Zeckhauser in 1988. According to Samuelson and Zeckhauser it is the tendency of individuals to maintain their previous decisions regardless of the changes in their environment. Investors justify their Status-quo bias may be optimal if there are high calculations or transactions costs, they find evidence for it even with minimal calculation and/or transactions costs present. Status quo bias is an emotional bias that predisposes investor facing an array of choice options to opt for whatever option ratifies or extends the existing condition (i.e., the "status quo") in lieu of alternative options that might bring about change. In other words, status quo bias defined as a tendency to maintain the existing choices when making decision or choices.

Objectives of the Study

- To understand the Status quo bias and its implication for individual investors.
- To know whether individual equity investors exhibit Status quo bias while making investment decisions.

Methodology of the Study

The focus of the current study will be on gauging the presence or the absence, not the magnitude of each bias examined; in other words, how overconfident someone is will not be decided, but rather if someone is overconfident or not. The main purpose of the designed questionnaire was to distinguish general tendencies that are related to the chosen behavioral bias. It examines how individual equity investors react to psychological dilemmas presented to them. This was done by presenting a scenario or a set of problems to the respondents, all linked to the chosen theory, which is structured in a way that certain behaviors can be traced to the answers given. This approach was important since the current study focuses on psychological tendencies.

Sample Selection: Various stock broking firms were approached for the purpose of selecting the sample. The contact details of about 1500 individual investors who were using their d-mat account actively were drawn randomly from the pool of its client base of the selected stock broking firms. Investors were contacted at initial phase with a request to participate in the survey. The questionnaire was administered to those individual investors who gave their consent, through various media as convenient to them. Convenient random sampling technique and referral sampling method is used to draw the sample for this empirical study.
Sample Size: 891 Indian individual equity investors.
Statistical Test: Z –test (Single proportion)

Review of Literature

The status quo bias is the tendency of the investor to maintain a previous decision regardless of changes in the investment environment. It is an emotional bias, which operates in investors who prefer the things to stay relatively the same. Status quo bias of investors is a typical bias problem in the areas of economics and management. According to Samuelson and Zeckhauser (1988) status quo bias is a tendency to maintain the existing choices when making decision or choices. Samuelson and Zeckhauser's paper, "Status Quo Bias in Decision Making," provides an excellent practical application of status quo bias. It examines a study in which subjects were told that they each had inherited a large sum of money from an uncle and could choose to invest the money in any one of four possible portfolios. Each portfolio offers a different level of risk and a different rate of return. The scenario was repeated twice; where in the first trial, subjects are given only the aforementioned information, without any indication of how the conferring uncle may have invested the money himself. However, in the second trial, the subjects have been informed that the uncle, prior to his death, has invested the sum in a moderate- risk portfolio—one of the four options given to the subjects at present. As expected the moderate-risk portfolio has proved far more popular in the second trial, when it was designated as the status quo, than in the first trial, when all options were equally "new." This study reinforces the idea that investors tend to prefer upholding the present status.

Kent, et al. (2001) finds that Status Quo bias caused investors to pay little attention and use only limited processing power while making investment decision-making. This is due to their status quo since they interpret that the status quo option is an implicit recommendation. Therefore, according to Kent et al., their findings are inconsistent with Madrian and Shea (2000) where they find that investors are subject to status quo bias and tend to stick to their previous investment decisions. Researchers like Burmeister and Schade (2007), Kahneman et al., (1991) who investigated the status quo from the perspective of experience propose that the respondents prefer the status quo due to the impact of past experiences. Investors experiences have unilateral impact on status quo bias, which can increase respondents' sensitivity of status quo bias. Li Jianbiao, Ren Guangqian, Ma Qiuhua, Liu Lüke (2009) explore the impact on investors' status quo bias from the perspectives of framing effect, investor emotion and information structure, by using the experimental method. Their results show that investors' status quo bias is higher in the price differential frame than in the ratio frame of the investable portfolio. In addition, investors' status quo bias does exist in the three emotional conditions. Particularly, status quo bias is lower among investors who are influenced by positive emotions and higher among those influenced by negative emotion. Respondents' choice of an option that is considered to be 'certain' is five times preferred than that of an option considered to be uncertain. The level of status quo bias in self-status assignment group is higher than that in external-status assignment group.

Status Quo Bias Description

Status quo bias refers to the finding that an option is more desirable if it is designated as the "status quo" than when it is not. Status quo bias can contribute to the aforementioned inertia principle, but inertia is not as strong as status quo bias. Inertia means that an individual is relatively more reluctant to move away from some state identified as the status quo than from any alternative state not identified as the status quo. People less readily abandon a condition when they're told, "Things have always been this way." Status quo bias implies a more intense "anchoring effect." Status quo bias is often discussed in tandem with other biases, namely endowment bias and loss aversion bias. Status quo bias differs from these two in that it does not depend on framing changes in terms of losses and potential gains. When loss aversion bias and status quo bias cross paths, it is probable that an investor, choosing between two investment alternatives, will stick to the status quo if it seems less likely to trigger a loss—even if the status quo also guarantees a lower return in the long run. Endowment bias implies that ownership of a piece of property imbues that property with some perceived, intangible added value—even if the property doesn't really increase the utility or wealth of the owner. By definition, endowment bias favours the status quo—people don't want to give up their endowments. Loss aversion bias, endowment bias, and status quo bias often combine; and the result is an overall tendency to prefer things to stay as they are, even if the no action comes at a cost.

Investors with inherited stock positions often exhibit status quo bias. Take the case of a hypothetical grandson who hesitates to sell the bank stock he's inherited from his grandfather. Even though his portfolio is under diversified and could benefit from such an adjustment, the grandson favours the status quo. A number of motives could be at work here. First, the investor may be unaware of the risk associated with holding an excessively concentrated equity position. He/she may not foresee that if the stock tumbles, he/she will suffer a significant decrease in wealth. Second, the grandson may experience a personal attachment to the stock, which carries an emotional connection to a previous generation. Third, he may hesitate to sell because of his aversion to the tax consequences, fees/commissions, or other transaction costs associated with unloading the stock.

Status Quo Bias Implications for Investors

The four investment mistakes that can stem from status quo bias are:

i. Status quo bias can cause investors, by taking no action, to hold investments inappropriate to their own risk/return profiles. This can mean that investors take excessive risks or invest too conservatively.

ii. Status quo bias can combine with loss aversion bias. In this scenario, an investor facing an opportunity to reallocate or alter an investment position may choose, instead, to maintain the status quo because the status quo offers the investor a lower probability of realizing a loss. This will be true even if, in the long run, the investor could achieve a higher return by choosing an alternative path.

iii. Status quo bias causes investors to hold securities with which they feel familiar or of which they are emotionally fond. This behavior can compromise financial goals, however, because a subjective comfort level with a security may not justify holding onto it despite poor performance.

iv. Status quo bias can cause investors to hold securities, either inherited or purchased, because of an aversion to transaction costs associated with selling. This behavior can be hazardous to one's wealth because a commission or a tax is frequently a small price to pay for exiting a poorly performing investment or for properly allocating a portfolio.

Analysis and Discussion

The status quo bias is the tendency of the investor to maintain a previous decision regardless of changes in the investment environment. It is an emotional bias, which operates in investors who prefer for things to stay relatively the same. In order to determine whether investors exhibit the above said bias an investment scenario is described in Q 9, part 4 of the questionnaire. In which the investor who is happy and comfortable with portfolio returns is suggested by the financial advisor to replace the corporate bond with government bond of comparable quality estimating that will obtain a better return after capital gains taxes and fees. When the investor was asked to choose between, whether investor will follow the advice or stick to present status. To this 402 (45.12%) investors said they would not follow the advice of the financial planner and stick to present status which indicates that they exhibit status quo bias, reluctant to change the present status. Based on the responses the status quo bias was analysed and tested with the following null hypothesis and alternate hypothesis:

H01: Investors do not exhibit status quo bias while making investment decisions (P = 0.5).
Ha1: Majority of the investors' exhibit status quo bias while making investment decisions (P > 0.5).

$$Z = \frac{p - P}{(\sqrt{PQ/n})} = \frac{0.4512 - 0.5}{(\sqrt{(0.5*0.5)/891})}$$

At the 0.05 level of significance, the critical value of Z is +1.645. The computed value of Z = -2.9048 falls in the acceptance region. Therefore, null hypothesis H01 is accepted and can be concluded that majority of the investors did not exhibit status quo bias while making investment decisions. In the current study only 45.12 percent of the individual equity investors exhibited status quo emotional bias.

The confidence interval at 95 percent was calculated

$$Z = p \pm 1.645 * (\sqrt{((p\ (1-p))/n)}) = 0.4512 \pm 1.645 * (\sqrt{((0.4512(1 - 0.4512)/891)})$$

$$= (41.85, 48.39)$$

With 95% confidence it can be stated that 41.85 percent to 48.39 percent of the individual equity investors exhibited status quo.

SUMMARY & CONCLUSION

Bias is a prejudice or a propensity to make decisions while already being influenced by an underlying belief. Behavioral biases fall into two broad categories, cognitive and emotional, with both varieties yielding irrational judgments. Emotional bias refers to the fact that a person will tend to believe something that is pleasant or uplifting even if there is ample evidence to the contrary. The status quo bias is the tendency of the investor to maintain a previous decision regardless of changes in the investment environment. It is an emotional bias, which operates in investors who prefer the things to stay relatively the same. The current study tries to understand Status quo bias and its implications for investors and also makes an effort to find empirical evidence whether Indian individual equity investors exhibit Endowment bias while making investment decisions.

The empirical evidence shows that 45.12 percent of investors exhibit status quo bias, reluctant to change the present status. The confidence interval at 95 per cent was calculated. With 95% confidence it can be stated that 41.85 percent to 48.39 per cent of the individual equity investors exhibited status quo. Hence it can be concluded that majority of the Indian individual equity investors did not exhibit status quo bias while making investment decisions.

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IMPLEMENTATION METHODOLOGIES FOR EFFECTIVE EXECUTION OF PERFORMANCE BASED CONTRACTING

Prof R. Nageswar Rao, Dean, Faculty of Management
Department of Business Management, Osmania University, Hyderabad.

Group Captain Y Umesh, Research Scholar
College of Defence Management, Secunderabad.

"People don't want to buy a quarter-inch drill, they want a quarter-inch hole"
– Theodore Levitt, Harvard Professor.

ABSTRACT
Performance Based Contracting or PBC, is a partnership between Buyer and Seller organization, based on the 'Needs' of the Buyer organization. The partners align work and incentives to support those needs. The paradigm shift is that "PBC Buys Results and Not Material or Services". While, PBC warrants a Win-Win situation and may sound promising, it is not easy to implement. After establishing economic viability and defining shared goals, the stakeholders should agree on a methodology to measure performance and how it is linked to a payment model. One of the key challenge is to ensure that the performance measures drive the right behavior and mitigate potential risks of uncertainty and opportunistic actions; for both parties. In this article, the authors explore the concept and business sense of PBC, study implementation experiences and collate implementation guidelines based on literature review. A hypothetical Case Study is presented for a PBC implementation approach.

Keywords : Shared Goals, Performance, Risks, Behaviour, Incentives, Implementation method.

INTRODUCTION
PBC is a collaborative strategy of outsourcing, that ensures that all stakeholders are bound by a shared vision and goal to achieve 'Results' for the Buyer organization. It evolved from purely transactional contracts involving material or service to an Outcome based contracting agreement. This is accomplished by incentivized, long-term contracts with specific and measurable levels of operational performance defined by Buyer and agreed by Seller. This is in contrast to the traditional approach, where payment is related to completion of milestones and deliverables. Measuring performance on the basis of target metrics and relating them to payment, is an important element of PBC.

Terminology

The term PBC is known by equivalent terminologies viz; Power-by-the-Hour (Rolls-Royce), Contractor Logistics Support (UK), Performance Based Logistics (USA), Contracting for Availability (UK) and Performance-based life-cycle support. The paper uses Seller as a synonym for Supplier / Manufacturer / Service Provider / Contractor and Buyer as a synonym for Customer / Contractor.

History

PBC has evolved over last fifty years. From simple fulfillment of product / service delivery to associating Quantity, Quality, Time and Service Level dimension; it has developed as a concept of delivering Outcomes. Rolls-Royce 'Power-by-the-Hour' was invented in 1962 to support the Viper engine on the Hawker Siddley 125 business jet. A complete engine and accessory replacement service was offered on a fixed-cost-per-flying-hour basis. This aligned the interests of the manufacturer and operator, who only paid for engines that performed well. In 1990s, to address the increasing costs to support field systems and decrease in reliability and operational readiness of weapon systems of US Air Force, a Performance-Based-Logistics approach (PBL), was advanced by the U.S. Department of Defence (DoD). Since then, PBL has found application in Commercial Airlines & Shipping, Public Transport, Health Services, Energy generation, Maintenance, Repair & Overhaul, Manufacturing etc.

Effectiveness of Performance Based Logistics in DoD, USA

There was much debate about effectiveness of PBL. Claims about its strengths and weaknesses were usually based on opinions, rather than facts. An independent assessment of PBL strategies, called Project Proof Point summarized that, "PBLs have the proven ability to deliver superior performance at reduced cost when compared to non-PBL arrangements". Main issues highlighted were: -

Transactional Based Contracts	Performance Based Contracts
Fail to align interests and incentives of entities and in many instances, the incentives of the two sides are opposed.	PBLs align interests of the entities, only if the Contracts are skillfully constructed and managed.
When Contractors are paid per maintenance action, they profit from additional maintenance.	When Contractors are paid for established levels of performance, they improve profits by striving to reduce additional maintenance.

In situations where Contractors are either monopolies or oligopolies, which is very often the case in the Defence; there are very few, or no incentives to improve product reliability, maintainability, or reduce costs.	Contractor's profits improve by driving down cost to repair. Instances of companies striving for lean processes that resulted in reduced demand for additional equipment to support maintenance were reported.
Essentially all financial and performance risks reside with the Services.	Financial and performance risks are shared between the Contractor and the Services.

The key learning's from the Study are that PBCs must be skillfully constructed, managed and it is essential that Contractors retain the opportunity to realize profitability commensurate with risks.

Business Sense of Performance Based Contracting

Service as a Means for Competitive Advantage for Seller : Sellers differentiate their product and gain competitive advantage, by offering services associated with the use of their products. Xerox was successful in establishing a service business by creation of Managed Print Services in which it manages fleets of printers and multi-function devices. Xerox provides maintenance, upgrades, paper and toner replenishment. Clients only pay for pages printed, for a simpler experience and lower operating cost.

Outsourcing Outcomes is a Competitive Advantage for the Buyer : Buyers are becoming less interested in buying products and expect comprehensive solutions for their problems. This service orientation and utility provided by the Seller is central to the buying process.

Concept of Performance Based Contracting : The shift towards a service orientation, results in Sellers offering Buyers better solutions that will support Buyers' operations and profitability.

Benefits of Performance Based Contracts for the Seller

Service Orientation : To deliver appropriate outcomes the Seller needs to manage the processes with the Buyer and have a high degree of service orientation.

Lower Servicing Costs : Seller's ability to optimize outcome delivery, provides flexibility in reducing cost of performance while achieving acceptable outcomes.

Opportunity for Innovation : Sellers can use the experience of working with the Buyer to drive innovation and continuous improvements that meets Buyer's changing requirements.

Improved Customer Loyalty : PBCs incentivize Seller to maximize performance, effectiveness and efficiency of his service, forming the basis for improved long-term customer loyalty.

Benefits of Performance Based Contracts for the Buyer

Clear Understanding of Performance Requirements : Formulating performance requirements and metrics for contractual agreement, brings clarity of outcomes and priorities for the Buyer.

Achieving Outcomes : Increased motivation of the Seller to provide high quality outcomes, as his payment is dependent on delivering measurable outcomes.

Cost Savings : Buyer avoids purchasing costly equipment and associated costs.

Predictable Costs : By only paying for a measurable specified outcome which is predictable, Buyers are able to make more accurate cost projections.

Reduced Total Cost of Ownership : Buyer can offset the gradually incurring service fees for purchasing performance and have more funds to invest.

Improved Accountability for Performance : Both the Buyer and Seller have an improved accountability for their actions towards achieving the shared goal.

PBC Implementation

Despite numerous advantages PBC business model is still not a standard practice. Buyers and Sellers face many implementation challenges. A sample implementation framework is listed below.

- Make a Business Case for Justifying PBC.
- State the Outcomes / End-Results of the PBC.
- Formulate a set of Performance Measures & Levels, for compliance by the contract.
- Develop Payment Models which set the pay for the Contractor based on performance level.

- Develop Incentives that encourage positive behaviours and discourage negative behaviours.
- Finalize Contract covering performance, payment, terms and conditions of the relationship.
- Conduct Review / Analysis of the outcomes of PBC and differing definitions of success.

Guiding Methodologies for PBC Implementation

Appropriateness of PBC : Business Case is a document which assesses potential risks, benefits and collateral impacts of PBC. Three criteria considered are; Derived Value for Buyer; Life-Cycle Costs and Technical Complexity. A product with a large share of utilization-related costs is more appropriate for PBC as it enables Sellers to exploit the potential for added value services and strive for service optimization. High technological complexity stimulates the importance of PBC and allows their implementation for numerous services.

Measurable Performance Indicators : It is very important both for Sellers and Buyers to agree on what is a successful outcome of the contract and understand how to measure performance. Both the level of required outcome and the related key metrics has to be clearly spelt. This is fundamental to manage performance and provide remuneration.

Pricing & Payment Model : Remuneration is not calculated on the basis of a transactional pricing model, but are tied to achievement of agreed outcomes, leading to a potential 'win-win' scenario. Pricing options include a combination of positive and negative incentives.

Payment Models for PBC : Commonly used payment models for PBCs are: -

- Fixed payment basis tied to performance measures of the identifiable outcome. If the performance in achieving the outcome falls short, the Seller would have payments withheld or reduced, but with the possibility to rectify and achieve the performance level within a given time frame. On the other hand, rewards for gains could be shared with the customer, for exceeding performance standards.
- Payment on Usage, like 'Power by the Hour'.
- Cost-Plus mechanism.

Defining Accountability : PBCs should also include stipulations of customer obligations (assets, people, equipment etc.), to ensure that the service provider is able to deliver outcomes. Performance Measures should be designed to prevent potential opportunistic behaviour from either side.

Cultural Shift : Delivering performance means that everyone in Seller organization work hard at aligning with the customer's needs. In PBC, service delivery has a high human component, thus demanding a Cultural Shift in organizational thinking.

Risk Management : In order to deal with uncertainties like change in utilization pattern of equipment or opportunistic behavior by Buyer leading to reduced profits, Sellers need mitigation strategies. For example, Seller can negotiate minimum service volumes or offer a discount on the service fee if expected volume is actually achieved. Alternatively, the Seller might negotiate maximum equipment usage and extra charges if Buyer uses the equipment more than agreed upon.

Case Study: Example of a Hypothetical PBC Implementationin Military Aviation

Background : Aircraft are costly and technology intensive assets of the Air Force, whose readiness to fight a war is critical. Combat readiness is a function of quick turnaround by the Air Force maintenance staff through preventive and breakdown maintenance. Besides the availability of quantity and quality of human resources and technical infrastructure, a crucial factor for effectiveness is the availability of spares.

Scope of Case Study : If the Air Force wants to outsource supply of Spares (Repairable, Non-Repairable and Consumables), what would be the likely approach to implement a PBC. An attempt is made to apply methodologies for implementing PBC in the following paragraphs. The model is based on Australian Aerospace Systems Defence and is kept simple to ensure ease of understanding.

Outcomes & Performance Metrics

Outcome	Performance Metric	Definition
System Readiness	Aircraft Availability	Readiness to perform a specified mission or task.
Mission Success	Mission Reliability	Ability to perform specified mission.
Assurance of Parts Supply	Demand Satisfaction	Ability to consistently provide right material at the right place, at the right time and with the right quality.

- Aircraft Availability Metric : This metric can be defined in a number of ways: -
  - A percentage of aircraft from a fleet available at prescribed time.
  - Total number of aircraft available at prescribed time, or
  - Meeting a schedule daily Flying Program.

o Central to the use of Aircraft Availability (AA) are; a definition of Aircraft Configuration and Status, and how to exclude Defence controlled processes.

o Aircraft Configuration : Defines the systems installed on the aircraft and whether those are in an operational, degraded or non-operational state? A Mission Critical Item List (MCIL) is used to define aircraft systems and sub-systems required for specific missions.

o Aircraft Availability metric uses three major status condition
  - Fully Mission Capable (FMC) –aircraft capable of doing all assigned missions.
  - Partially Mission Capable (PMC) –aircraft can perform at least one, but not all.
  - Not Mission Capable (NMC) – aircraft cannot do any assigned missions.

o The operator can choose to accept an aircraft that is not FMC but has sufficient systems available to fly at least one mission safely. The aircraft is considered PMC with a reduced Performance Payment. Aircraft that are not FMC and PMC are classified NMC.

o If the aircraft is waiting for Defence controlled processes or decisions, a new definition Fully Mission Capable (Contractor), FMC(C) applies. The (C) designation for FMC denotes that for the purposes of performance measurement in accordance with the Contract, the contractor shall have met all of its obligations to achieve FMC.

o Mission Reliability Metric: A definition of failure is a key requirement for Mission Reliability metric to avoid ambiguity and contractual dispute. Two specific areas are defined: -
  - Sentencing failures in a controlled and repeatable manner.
  - Attributing failureso that they can be classified as: -
  - Chargeable – failure attributed to contractor activities / non-activities;
  - Non-Chargeable – failure attributed to Defence activities / non-activities;or

- Undetermined – failures unable to be definitively attributed to either parties.

- A Reliability & Maintainability Cell (RMC) charter defines roles and responsibilities of Defence and Contractor in terms of sentencing failures. Specifically, the Mean Time Between Critical Failure (MTBCF), is a vital input for safe, effective and efficient operation of the aircraft, which will promote these behaviours from the Contractor.

- **Demand Satisfaction Rate (DSR).**

  DSR is defined as percentage of successful delivery of Spares against contracted delivery times.

- **System Health Indicators (SHI) for Identifying Trends.**

  SHIs are lead indicators, measured to identify trends to enable proactive corrective actions like; Actual vs Planned Utilization, Aircraft Availability, Mission Success Rates, Pending Requests more than Contracted Delivery Times, Effectiveness of Reliability Improvement Programs etc.

Payment System : A payment regime comes into effect, once performance measures, targets, incentives, reliability and reporting mechanisms are established. The critical steps in establishing a Payment Regime are Set Performance Targets, Assign Weightings and Interpret Results.

Setting Targets : For Aircraft Availability metric, FMC/FMC(C) aircraft would attract 100% of 'At Risk' margin applicable to the Metric, PMC nominally 70% and NMC, 0%. Overall Mission Reliability is a combination of individual reliabilities of sub-systems that can be calculated using a Mission Reliability Model. Targets for DSR reflect the rates that satisfactorily support operations.

Assign Performance Weightings : Weightings are assigned to Performance Metrics to reflect the importance given to their achievement. For example: -

Performance Metric	Weighting (%)
Available Aircraft (AA)	50
Mean Time Between Critical Failure (MTBCF)	30
Demand Satisfaction Rate (DSR)	20

Interpreting Results & Calculating Payment.

Step 1 - Calculate Achieved Performance.

The following table reflects a scenario of results for a particular Review Period.

Performance Metric	Contracted Target	Contractor's Avg Achieved Performance	Achieved Performance
Aircraft Available	10 FMC	7 FMC, 3 PMC	0.91
MTBCF(Hours)	50	35	0.70
DSR	90%	90%	1.00

If aircraft available on an average was 7 FMC and 3 PMC per day and a PMC aircraft is valued at 0.7 of FMC aircraft, then the contractor has achieved an average performance of 91% of contracted requirement. Similarly, achieved MTBCF of 35 hours is 70% of Performance Target and achieved DSR has met the contracted requirement.

Step 2 – Calculate Adjusted Performance.

Performance Bands are used ensure to reflect Minor, Major or Unacceptable Performance. In this example, the contractor receives full value for Available Aircraft and DSR as achieved performance falls in Minor Variation Band (90–100%). However, MTBCF may fall in Major Variation Performance Band (60–90%), leading to a reduction in Adjusted Performance for this metric.

Step 3 – Calculate Performance Payment.

The Weighted Performance Score (WPS) is the sum of the Adjusted Performance results multiplied by the Weightings for each Performance Metric, WPS = 0.91(0.5) + 0.70(0.3) + 1(0.2) = 0.795

In this example, the contractor would be paid 79.5% of their 'At Risk' margin for the Review Period.

Performance Reviews

There are four levels of Performance Review.

- Executive Review (Annual, Senior Management) : Appraises contract effectiveness in terms of Outcomes and Contractor's commercial expectations. Also manages changes in strategic priorities, their effect on contract Outcomes and review incentive methods.

- Capability Management Review (Quarterly, Middle Management) : Discuss each Performance Metric and payment methodology, post the RMC Meeting conducted to sentence failures.
- Systems Health Review (Monthly, Line Management) : Discusses issues affecting system performance, SHIs and progress on Performance Metrics.
- Daily Performance Metric Scoring : Daily review of the Achieved Available Aircraft.

CONCLUSION

Potential savings and performance improvements inherent in PBCs are immense. PBC's have distinct advantage over transactional contracts. The key advantage of a PBC is that it drives positive behavior in the Buyer and Seller organizations.

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''POSSIBILITIES OF TRANSFORMING INDIAN ECONOMY FROM TRADITIONAL ECONOMY TO - DIGITAL ECONOMY"

Mr. M. VAMSHIDHAR, Lecturer in Commerce
Global Degree College,
Sadasivpet.

ABSTRACT

Today entire world discussing on Indian economic policies. Recently the central government had taken a decision on 8th November, 2016; the government of India announced that demonetization of all 500 and 1,000 of the banknotes of the mahatma Gandhi series as legal tender. The government claimed that the action would curtail the shadow economy and crack down on the use of illicit and counterfeit cash to fund illegal activities and terrorism. Now the central government wants to every citizen in India try to transfer from traditional economy to digital economy central government offering some benefits to those who are followed digital economy. Digital economy refers to an economy that is based on digital computing technologies. The digital economy is also sometimes called the internet economy, the new economy or web-economy. Increasingly, the "digital economy" is intertwined with the traditional economy making a clear delineation harder.

The objectives of this research paper to analyze the Indian economic situations for transforming traditional cash methods to digital economy methods. And also to analyze the possibilities of digital economy in big developing countries like India. The trend towards use of non-cash transactions and settlement began in daily life during the 1990's, when electronic banking became popular. By the 2010s digital payment methods were widespread in many countries, with example including intermediaries such as pay pall, PAYTM, digital wallet systems are operated by companies like apple, contract less and NFC payments by electronic card or smartphone, and electronic bill and banking, all in widespread use. But the major problems arisen from the digital economy are illiteracy and internet accessing speed and most things is hacking of information. When one particular country takes corrective measures in these problems then there is a possibility of success the digital economy.

Keywords: Economy, demonetization, digital economy, illiteracy, developing countries

INTRODUCTION

Digital economy refers to an economy that is based on digital computing technologies. The digital economy is also sometimes called the Internet Economy, the New Economy, or Web Economy. Increasingly, the "digital economy" is intertwined with the traditional economy making a clear delineation harder.

Definitions:

The term 'Digital Economy' was coined in Don Tap Scott's 1995 book The Digital Economy: Promise and Peril in the Age of Networked Intelligence. The Digital Economy was among the first books to consider how the Internet would change the way we did business.

According to Thomas Mesenbourg (2001), three main components of the 'Digital Economy' concept can be identified:

- E-business infrastructure (hardware, software, telecoms, networks, human capital, etc.),
- E-business (how business is conducted, any process that an organization conducts over computer-mediated networks),
- E-commerce (transfer of goods, for example when a book is sold online).

Digital Economy has been defined as the branch of economics studying "zero marginal cost intangible goods" over the Net.

History of digital economy:

Origins of digital currencies date back to the 1990s Don –com bubble. One of the first was e-gold, founded in 1996 and backed by gold. Another known digital currency service was Liberty Reserve, founded in 2006; it let users convert dollars or euros to Liberty Reserve Dollars or Euros, and exchange them freely with one another at a 1% fee. Both services were centralized, reputed to be used for money laundering, and inevitably shut down by the US government. Q coins or QQ coins were used as a type of commodity-based digital currency on TencentQQ's messaging platform and emerged in early 2005. Q coins were so effective in China that they were said to have had a destabilizing effect on the Chinese Yuan or RMB currency due to speculation. Recent interest in crypto currencies has prompted renewed interest in digital currencies, with bitcoin introduced in 2009, becoming the most widely used and accepted digital currency.

Review of literature:

Is privacy slowly slipping away in your buying plans? The answer is a firm 'yes' if one were to go by the rapid ushering in of the digital economy across the globe.

Everybody is looking to sell and capitalize on consumers' habits. This is both an opportunity and a huge problem, according to Shiva Ramani, Founder and Chief Executive Officer, iOPEX Technology.

"The problem is too much information and lack of clarity on where to spend marketing dollars,'' according to Mr. Ramani. "iOPEX," he said, "is an expedition to do the new right things for our customers."

The Digital Economy Bill 2016–17 is a bill of the Parliament of the United Kingdom. It is substantially different from, and shorter than, the Digital Economy Act 2010, whose provisions largely ended up not being passed into law. The bill addresses policy issues related to electronic communications infrastructure and services, and updates the conditions for and sentencing of criminal copyright infringement. It was introduced to Parliament by culture secretary John Whittingdale on 5 July 2016. Whittingdale was replaced as culture secretary by Karen Bradley on 14 July 2016.

OBJECTIVES OF THE STUDY:

- To analyze the present economic conditions of digital economy.
- To analyze the pros and cons of digital economy.
- To analyze the possibilities of Digital economy.
- To examine the drawbacks of traditional economy.
- To sharing the views about the digital economy.
- To examine the earlier experiences of the digital economy

RESEARCH METHODOLOGY:

The present study has based on only secondary data. The secondary data is collected from the websites of the daily various research agencies and news agencies and other published material. And the present study is only qualitative research by analyzing the data of the digital economy schemes and instruments and supporting technology and methods available for digital economy.

DATA ANALYSIS:

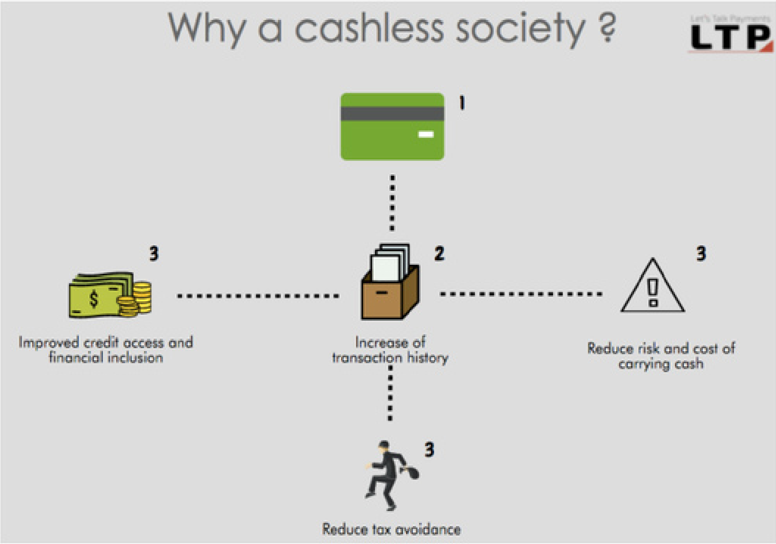
Need of Digital economy:

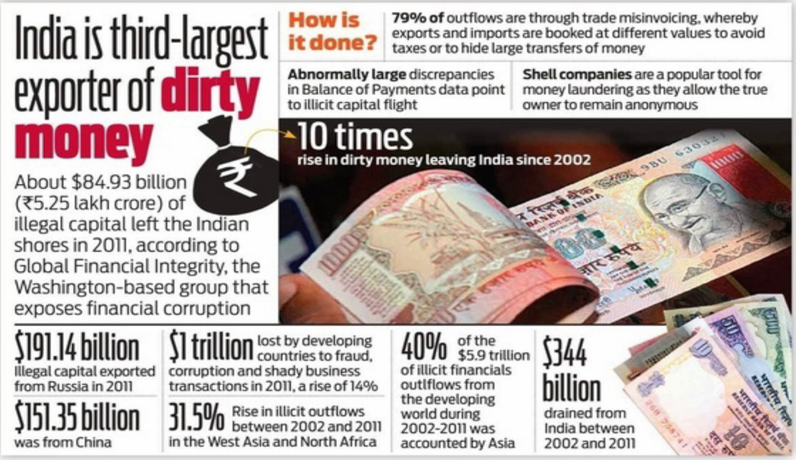
The economics of digitization is the field of economics that studies how digitization affects markets and how digital data can be used to study economics. Digitization is the process by which technology lowers the costs of storing, sharing, and analyzing data. This process has changed how consumers behave, how industrial activity is organized, and how governments operate. The economics of digitization exists as a distinct field of economics for two reasons. First, new economic models are needed because many traditional assumptions about information no longer hold in a digitized world. Second, the new types of data generated by digitization require new methods to analyze.

Research in the economics of digitization touches on several fields of economics including industrial Organization, labor economics, and intellectual property. Consequently, many of the contributions to the economics of digitization have also found an intellectual home in these fields. An underlying theme in much of the work in the field is that existing government regulation of copyright, security, and antitrust is inappropriate in the modern world. For example, Information goods, such as news articles and movies, now have zero marginal costs of production and sharing. This has made the redistribution without permission common and has increased competition between providers of information goods. Research in the economics of digitization studies how policy should adapt in response to these changes.

- It will help the government to fight Black money, corruption, terrorism and counterfeit currency with one single decision.
- Arms smuggling, espionage and terrorist related activities will be choked due to lack of funding.
- Counterfeit currencies are being used for financing terrorism which is being run by the enemy in India. Now Government has taken a bold move which enables them to fight counterfeit currency/terrorist funding activities.
- Discouraging the cash transactions in the India.
- Improved credit access and financial inclusion.
- Increase of transaction history.
- Reduce risk and cost of carrying cash
- And more over reduce tax avoidance.
- To control the black money.
- FIU of India gets info about transactions from banks. During this period, banks will take extra precaution. Banks will share info with Income Tax dept. as deemed fit. (So now it is difficult to get rid of the black money which is mostly in 500 and 1000 notes)

Below pictures explains the need of digital economy





Digital Economy Adoption Possibilities

India is a second largest country in the population. If we want to introduce any policies it will be taken some time where as we said other countries are very par away from us because the less number population if there is any loop holes in those policies it will not rectify in short time where as small countries like Sweden Norway Germany and Finland easily they can change the policies in short period.

Cash less Society and Its Importance

A cashless society describes an economic state whereby financial transactions are not conducted with money in the form of physical banknotes or coins, but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties Cashless societies have existed, based on barter and other methods of exchange, and cashless transactions have also become possible using digital currencies such as bit-coin. However this article discusses and focuses on the term “cashless society” in the sense of a move towards, and implications of, a society where cash is replaced by its digital equivalent - in other words, legal tender (money) exists, is recorded, and is exchanged only in electronic digital for Such a concept has been discussed widely, particularly because the world is experiencing a rapid and increasing use of digital methods of recording, managing, and exchanging money in commerce, investment and daily life in many parts of the world, and transactions which would historically have been undertaken with cash are often now undertaken electronically Some countries now set limits on transactions and transaction values for which non-electronic payment may be legally used.

The trend towards use of non-cash transactions and settlement began in daily life during the 1990s, when electronic banking became popular. By the 2010s digital payment methods were widespread in many countries, with examples including intermediaries such as PayPal, digital wallet systems operated by companies like Apple, contactless and NFC payments by electronic card or smartphone, and electronic bills and banking, all in widespread use By the 2010s cash had become actively disfavored in some kinds of transaction which would historically have been very ordinary to pay with physical tender, and larger cash amounts were in some situations treated with suspicion, due to its versatility and ease of use in money laundering and financing of terrorism, and actively prohibited by some suppliers and retailers to the point of coining the expression of a “war on cash” By 2016 in the UK it is now reported that 1 in 7 people no longer carries or use cash.

Digital currency or digital money is distinct from physical (such as banknotes and coins) that exhibits properties similar to physical currencies, but allows for instantaneous transactions and borderless transfer-of-ownership. Both virtual currencies and crypto currencies are types of digital currencies, but the converse is incorrect. Like traditional money these currencies may be used to buy physical goods and services but could also be restricted to certain communities such as for example for use inside an on-line game or social network.

Definition

Digital currency can be defined as an Internet-based form of currency or medium of exchange distinct from physical (such as banknotes and coins) that exhibits properties similar to physical currencies, but allows for instantaneous transactions and borderless transfer-of-ownership. Both virtual currencies and crypto currencies are types of digital currencies.

Digital versus traditional currency

Most of the traditional money supply is bank money held on computers. This is also considered digital currency. One could argue that our increasingly cashless society means that all currencies are becoming digital (sometimes referred to as "electronic money"), but they are not presented to us as such.

Opportunities for India in the Digital Economy

The digital economy is the new productivity platform that some experts regard as the third industrial revolution. Digital revolution, also known as 'The Internet Economy' or Internet of Everything (IoE), is expected to generate new market growth opportunities, jobs and become the biggest business opportunity of mankind in the next 30 to 40 years.

Goldman Sachs predicts that India - comprising 15% of the world population, with a growth rate of 7 to 8%, could be the second largest economy by 2030. India's new leadership considers the digital economy as a major growth enabler. When Prime Minister Narendra Modi strategically listed "Digital India" among the top priorities for the new central government, he delivered a resounding nod to the digital economy's opportunities.

The Department of Electronics & Information Technology of India published Internet of Things policy estimating IoT industry in India grow up to INR 940 billion, by 2020. Focus areas include agriculture, health, water quality, natural disasters, transportation, security, automobile, supply chain management, smart cities, automated metering and monitoring of utilities, waste management, oil and gas. Cisco estimates that all IoE pillars - Internet of things, Internet of people, Internet of data, and Internet of Process for India have a value at stake (VAS) of INR 31.880 trillion (about half a trillion U.S. dollars) for the next ten years. From that INR 7.263 trillion is in the public sector and INR 24.616 trillion is in the private sector during the next decade.

The estimated biggest opportunities listed in Table 1 are connected learning, smart grid, gas monitoring, and travel avoidance. The so-called "Payment" opportunity is listed with VAS of INR 1030 billion and "Connected Learning" is listed with VAS of INR 818 billion. The India opportunities are among two major groups: people/citizens with INR 1447 billion opportunity and cities with INR 5816 billion.

Primary benefits of India's public sector are increased revenue; reduced costs; higher employee productivity; improved safety and security; improved environment; enhanced citizen experience, and better health and well-being.

Overall VAS in India's private sector is calculated to be INR 24.616billion as shown in Table 2.For the private sector, there are two categories of opportunities: cross-industry use cases with INR 5.860 trillion and vertical-industry use cases with INR 18.756 trillion.

Prime Minister Modi's vision for a Digital India is a strategic call to embrace the opportunity for India as one of the leaders in the third industrial revolution, and the use of Information and Communication Technologies (ICTs) that has never been greater.

India's leaders also acknowledge the digital economy's potential and have substantially invested in digitalization for public and private sectors. The commitment of India's government to spend Rs1.13T (US$19 billion) within the next five years strategically acknowledges the increasing value of Communication Technologies (ICTs).

Nearly 40 percent of the global value at stake will have new winners and vendors in the next decade. This major opportunity of the digital economy has the power to change the lives of millions of people of India. It could be an important vehicle for change and it could provide the opportunity for India to dramatically expand its role and influence in the global economy and become a powerhouse of digital innovation.

Digital economy practices and supporting instruments

In India banks are plays a crucial role in the economy. For example as per companies act 1956(2013) all the joint stock companies are ding there transactions through the bank only in the case of transaction value exceeding the INR.5000.

Now the technology got improved in the world wide and it will be increasing the speediness in the doing of woks. Lot of cashless transactions are used this new technology.

Mobile banking is the cheapest and easiest practice in the digital economy.in India nearly 80 crores mobile connections are there

Today, aided by digital design and fabrication tools on the one hand and social networking communities and collaboration/sharing tools on the other, an expanded "innovation landscape" is marked by new forms of participation and ownership, with new participants entering new markets and new arrangements of collective innovation.

The good news, of course, is that this expanded landscape creates an opportunity-rich environment for firms to innovate. The bad news is that these opportunities also create some new challenges. Managers need a framework for navigating this new landscape and harnessing the power of these new tools.

To help make sense of the opportunities and challenges ahead, we have identified four distinct innovation modes. Each mode is characterized by its own set of stakeholders and interaction dynamics, along with specific ways that companies can achieve a competitive advantage.

The specialist mode

In the specialist mode, companies will create new products and services by pushing the envelope of product performance, with improvements allowed by digital design. In this mode, high-risk, high-reward projects are typically developed and commercialized by formal organizations, using either hierarchy (in-house) or markets (out-sourced) as organizing mechanisms. Companies such as Volkswagen, Boeing, IBM, and Apple are active in this mode.

One challenges with the specialist mode is that companies must build these technical capabilities in-house to prevent imitation from competitors; to attract and retain top talent; and to maintain process rigor in the an era of increasing design churn. Tesla's effort to develop its battery Giga factory is an example of a specialist developing internal capabilities for competitive advantage.

The venture mode

The venture mode expands the flexibility and speed with which innovators act. These can be individuals inside corporations, but also entrepreneurs, tinkerers, and do-it-yourselfers who tend to assemble the necessary resources by using intermediate services which provide access to specialized tools and skills. Advancements in digital design tools have drastically lowered the entry barriers and allowed many more to participate in this mode. For managers of more established firms, this mode can allow small, entrepreneurial teams to develop new product and service ideas and test them at low cost. These internal "startup" teams can help seed traditional concept funnels with ideas that are more advanced in terms of design and concept testing than traditional methods.

One challenge for firms active in the venture mode is to quickly identify, select, and assemble necessary resources. These markets are often moving fast, and the ability to protect the business through intellectual property is often limited, so the most powerful competitive advantage is high velocity.

The community mode

The third mode of the new innovation landscape attracts large numbers of new entrants due to the low barriers of entry and includes — at least in part — a trust-based form of organizing. For this reason we label this the community mode. Similar to open innovation the setting of organizational and decision-making boundaries becomes substantially “fuzzy” as collaborating with like-minded strangers becomes an integral part for some business models. The spectacular rise and fall of quirky, Inc., one of the first social product development companies, is an example of this mode. The opportunities for firms operating in this mode are potentially new forms of market development and user engagement. New ideas and closer ties with consumers can be the result of open innovation efforts.

Managers operating in the community mode need to understand the challenges of maintaining, incentivizing, and capturing true value-added contributions from these communities. If the opinion of 1,000,000 community members has to be considered, for example, then the decision-making authority of the firm is more constrained.

The network mode

The network mode is characterized by the high performance product design expertise seen in specialist firms with trust-based sharing behavior typical of communities and close vendor networks. The opportunity in this mode lies in the chance to build an innovation system where the whole is more than the sum of its parts. Bringing together the expertise from a wide range of disciplines and geographies, supported and enabled by advanced digital tools, allows the emergence of entirely new solutions, potentially one which would never emerge in traditional organizational set-ups. Rearranging organizational boundaries and new incentive structures are part of this opportunity.

The challenges lie in how to successfully develop and manage the processes, which requires more coordination due to the greater levels of complexity. Building social norms, ensuring sufficient overlap, or at least information flow between designer and user communities, and orchestrating the actual work are no easy tasks.

To win in this larger, more diverse landscape, we advise managers to do the following:

Use the right managerial logic in each mode. For example, the specialist mode demands an internal incentive system, promotion rules, and organizational culture that values capability development. In contrast, an organization active in the community mode must build relationships with a large, distributed community, through both monetary and non-monetary incentive mechanisms. This in turn has consequences for the internal culture, which needs to be open-minded to input and suggestions from outside the company; it must not exhibit a ‘non-invented-here’ syndrome. You must create an alignment between your internal structures and the external innovation modes in which you engage.

Cultivate modes that have not been used yet. For example, established firms can benefit of learning how to operate in the venture mode. Today, for many firms, innovation efforts start and stop at innovation spaces and granting ‘free’ time for people to work on personal projects. However, to truly develop an internal venture culture, substantial effort needs to be put into developing a systematic process of coaching, mentoring, internal funding and executive support — and have this effort supported over a long period of time, and not just be a corporate initiative of the month. An example of a highly successful program is at EMC, who have spent the last decade implementing a system of innovation that spans incremental process improvements to more radical ideas. Their innovation network program has spanned 176 challenges and generated over 17,000 innovation ideas.

Learn to play in multiple modes simultaneously. This is especially relevant for larger organizations that might leverage different modes in different business units. General Electric is an example of a company that has experimented with modes such as the community in its relationship with Quirky and the venture mode in its GE Garages efforts. Decide and define when and where different modes might be applied during the innovation process. For example, communities can be the source of insight on new product features or ideas at the front-end, while the network mode can be valuable during complex engineering and design projects.

In a world of new innovation, familiarize yourself with these core focuses to establish understanding in your journey towards becoming a more innovative organization. Know when to use each mode, and what its purpose will serve your team.

SUGGESTONS:

- If we want to introduce new technics in to digital economy the government has to look in to security measures main challenge is a security
- And also India has been very lack of in POS terminals if the government and others commercial banks has introduced many POS terminals it causes to transform towards digitalization of economy
- Main disadvantage of digitalization in India is internet access if we want provide good internet facility then it will be improving the digital transactions
- Mostly India is reluctant to any new eras but now India is slowly adopt new things. If the government and NGO 's are giving awareness about these programs There is a chance to transform towards digitalization of Indian economy

CONCLUSION:

India is a second largest country in the population. If we want to introduce any policies it will be taken some time where as we said other countries are very par away from us because the less number population if there is any loop holes in those policies it will not rectify in short time. The Indian government has been appointed a committee on digital economy is chaired by Sri Chandrabaabu Naidu. Based on this committee report the Indian government will be formulating the plans for future digital economy. India having nearly 69% of population lives in rural.so the government has to pay more attention on rural transactions and the need to more awareness and literacy in digital transactions then only it is possible to achieve our predefined standards

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MARKETING STRATEGIES OF BANK A COMPARATIVE STUDY OF PUBLIC AND PRIVATE SECTOR BANKS – HYDERABAD

M. Manjula, Research Scholar (OU)
Associate Professor,
Presidency School of Management and Computer Sciences

ABSTRACT
Marketing strategy is one the most important areas that need to be carefully examined by the policy makers of banks. A sound marketing strategy becomes imperative for banks. it not only operate in an environment where service quality and financial returns are perceived as the essential criteria from customers viewpoint, but they must also compete with conventional banks which are known to have better experience and expertise in the banking business. Marketing strategies of banking sector revealed that banks can base their marketing strategies on various parameters which are broadly in terms of 7p's of marketing that is Product, Place, Price, Promotion, People, Physical Evidence and Processes. The present study is based on a survey on 2 banks, randomly selected one private sector bank and one public sector bank in Hyderabad to identify the marketing strategies they follow at present. The study finds that marketing strategies adopted by these banks to market their products are not well innovated and incomplete to some extent. The study also finds that there is a need to develop more effective marketing strategies suitable for long-term growth of these banks.

Keywords: Bank Marketing, Marketing strategies, marketing mix (7p's)

INTRODUCTION
With the beginning of era of globalization, liberalization and privatization, the domestic as well foreign market has become more competitive .As a result of which the profit margin of business units engaged in different sectors of economy started declining. With the emerging changes brought new challenges of commercial ability, cost effectiveness and effective marketing strategy etc. The role of marketing strategies in the banking industry continues to changes. For many years the primary focus of bank marketing was public returns. Then the focus shifted to advertising and sales promotion vis-à-vis the customer orientation is quite evident in today's banking activates. Consumers are the key factor in the market.

Many banking organizations are today applying effective marketing strategies to achieve organizational success for long time survival. Thus, banks are forced to adopt various marketing techniques and strategies. Marketing in banks can be stated as a new phenomenon that is shaping well over the past few decades.

The orientation of banks should be with a much wider focus in relation to consumer and market needs and the consequent marketing strategies. Marketing strategy provides the banking sector with a sustainable competitive advantage in the markets it operates. Banks should understand consumer needs and identifies how those consumers should be grouped into different market segments. Product attributes, pricing decisions, methods of distribution and communication should all seek to reflect the chosen position.

Banks now have a firm belief that effective marketing strategies applied in the bank reducing the cost of services provided to customers, and raise the quality of banking services provided, and to influence the response to the client alone can assure the future of banking business. Marketing strategies of banking sector revealed that banks can base their marketing strategies on various parameters which are broadly in terms of 7Ps of marketing mix viz., Product, Place, Price, Promotion, People, Physical Evidence and Processes. Wining companies are those that can meet customer needs economically and conveniently and with effective communication.

Marketing Mix – 7p's

REVIEW OF LITERATURE

Anita Kumari Panigrahi, (2015), in her article “Marketing Strategies of Bank: A Comparative Study on some selected Private and Public Sector Banks in Berhampur”, according to her marketing strategy is one the most important areas that need to be carefully examined by the policy makers of banks. A sound marketing strategy becomes imperative for banks. it not only operate in an environment where service quality and financial returns are perceived as the essential criteria from customers viewpoint, but they must also compete with conventional banks which are known to have better experience and expertise in the banking business. The study finds that marketing strategies adopted by these banks to market their products are not well designed and incomplete to some extent. The study also finds that there is a need to develop more effective marketing strategies suitable for long-term growth of these banks.

Jha, S.M. (1982); in his book “ Service Marketing”, deals with bank marketing, marketing research, market segmentation, marketing mix for banking services, bank marketing in Indian environment. The author feels that despite the existence of commercial banks, which were established to make available timely and adequate services to the customers. Banks suffered due to lack of adequate and appropriate strategies for marketing their financial services. He explained the marketing mix strategies such as product mix, place mix, promotion mix, price mix, people mix, physical evidence mix and processes mix for the service sector.

Ravisankar, T.S (1985): in a study on “Marketing Strategies and Planning for Business Growth in Banks” says that the marketing plan for banking services should be supported by appropriate marketing strategies. He suggests that marketing strategy for banks must be oriented towards customers-current and potential as well.

Radhakrishnan S. (1987): conducted a study on ‘Marketing of Banking Services, Constraints, Challenges and Strategy’ and found that mixed banking , complaints from customers about bank charges, competition from non-banking financial companies and growing investment consciousness of the public are some of the impediments to bank marketing. It is suggested that the branch manager can design appropriate marketing strategy through identification of customer needs and service efficiency with appropriate differentiation by understanding customer behavior.

OBJECTIVES OF THE STUDY

1. To know about the various marketing strategies adopted by selected Public and Private sectors banks in Hyderabad.

2. To make a comparative analysis of bank employees' perception for marketing strategies of Public and Private sectors banks in Hyderabad.
3. To find out the key bank marketing strategies on the basis of bank employees' responses.

IMPORTANCE OF THE STUDY

Indian banking industry has been an important driving force behind the nation's economic development. The emerging environment poses opportunities as well as threats, particularly to financial crunch in public sector banks and as well as in private sector banks. In this context it becomes important to know more measures for profitable to the banks. One of them is marketing mix strategies, which tries to stabilize the income of the banks in more efficiency manner.

METHODOLOGY

Data sources: the present study is descriptive in nature, which is based on empirical evidences in the form of primary and secondary data.

DATA COLLECTION METHOD

Primary Data regarding the banks' service marketing strategies have been collected through guided interviews of the respective banks' executives.

Secondary Data have been collected from different text on Marketing, Financial Products Marketing as well as from the Brochures and reports of the selected banks for this paper.

SAMPLE PLAN & SIZE

The study includes two leading banks out of which one from public sector bank – SBI bank and one from private sector bank – ICICI bank available in Hyderabad as sample on the basis of convenience for the questionnaire survey to find out the marketing strategies. It was planned to select 50 bank personnel from each bank making a total of 100 bank officials as sample by making personal visit to the respective branches of banks.

DATA ANALYSIS AND INTERPRETATION

The analysis is done on the basis of review of existing literature and with personal contact and informal interview with the personnel of the public and private sector banks. Data has been analyzed and interpreted with the help of necessary tables along with relevant explanation of each form of marketing strategy.

LIMITATION OF THE STUDY

The study is primarily focused on the public and private sectors banks will be limits tends to Hyderabad region only.

The study is based on the sample the findings of the study may have the limitation of generalization to whole population.

PRODUCT STRATEGY

In the highly regulated banking industry all offered the same type of products. The bank takes little time to develop a financial product or service. Thus it is better to focus on some selected ideas relating to products, which have immediate operation utility as well as feasibility on banks.

Keeping this in view the bankers were asked to provide opinion about some of the product strategy followed by their branch are tabulated in Table – 1.

Table 1 Product strategy used for Marketing of Financial Products

Strategies	Public Sector Bank		Private Sector Bank	
	No. of Bankers	Percent	No. of Bankers	Percent
Online Banking	9	18.00	11	22.00
Focus On Customers	10	20.00	15	32.00
Advertisement	7	14.00	10	20.00
Product Innovation	16	32.00	5	10.00
Value Added Services	8	16.00	9	18.00
Total	50	100	50	100

Interpretation:

The major strategy adopted by the public sector bank is product innovation (32%). Public sector banks have a very wide customer base belonging to various segments of society, more specifically, public sector banks also focus on customer (20%) followed by online banking (18%) and value-added services (16%). Only a small percentage of public sector banks (14%) are giving more priority to advertisement.

Where as majority of private sector bankers thrust upon focus on customers (32%)

due to facing the heat of competition, which is followed by Online Banking (22%). The bank seek to enhance its profile by using alternative advertising media such as direct e-marketing to potential customers and web advertising. As compared to their counterparts in the public sector, private sector bankers seem to be ahead towards customer needs and tried to provide effective promotional strategies for the online banking in order to create more awareness among the customers.

Another strategy on which private sector bankers are giving more emphasize is that value added services (18%). Various ancillary or value added services are provided by private sector banks for capturing the major portion of market. Only a small percentage of private sector banks (5%) are giving more priority to product innovation.

PLACE RELATED STRATEGY

The place part of the marketing mix is where the customer receives the product or service. Place in case of services determine where is the service product going to be located. Suitable place of the bank branch remains the cornerstone in garnering business. Therefore management always attempts to locate the branch at the most suitable place, since an away location is considered as unsuitable form business point of view. The selection of an appropriate place for the establishment of a branch is important with the viewpoint of making places accessible,. Keeping this view the bankers were asked to provide opinion about the type of strategies they are emphasized more on marketing point of view, which are tabulated in Table-2

Table 2 Place strategy used for Marketing of Financial Products

Strategies	Public Sector Bank		Private Sector Bank	
	No. of Bankers	Percent	No. of Bankers	Percent
Physical ambience	18	36.00	21	42.00
Location Strategy	10	20.00	16	32.00
Easy availability of ATM	22	44.00	13	26.00
Total	50	100.00	50	100.00

Interpretation:

Table – 2 depicts the status of place related strategies followed by sample bankers from business point of view. Good premises for bank branches are essential for smooth operation of banking business. The responses of bankers regarding physical facilities available inside the bank premises and its impact on their marketing strategies are presented in above table- 2. More than (42%) of private sector bankers and (36%) of public sector bankers are following this strategy. Because, absence of parking place, uncomfortable sitting place, dingy bank premises, improper bank layout are some of the hall marks of public sector banks.

When the private banks were compared with public banks, all the private banks have excellent locations from business point of view, compared to public banks more than (10%) of public sector and (32%) of private sector bankers expressed their satisfaction regarding their branch location which is , convenient to both the parties, such as the users and the bankers. This indicates that the bank authorities might have taken enough care to locate the branches in the most convenient locations from the business point of view. However, unsuitable bank locations as perceived by bankers need to be relocated as they remain as a continuous hurdle to banking business growth.

Due to easy availability of ATM network, (44%) public sector banker and (26%) of private sector bankers are giving more focus on this strategy.

PRICING STRATEGY

The settlement of a correct price, both for the market and the competition, is a significant element for the sector of financial – banking services. As the competition in the financial – banking services has intensified, the settlement of correct prices has become an essential element for the marketing strategy. Nevertheless it is important to remind that the price is not a central element. In the formulation of marketing mix, the pricing decisions occupy a place of outstanding significance. Pricing decisions are found an instrumental in motivating or influencing the target market. The views of the sample bankers with regards to pricing strategies are presented in the following table 3.

Table 3 Pricing strategy used for Marketing of Financial Products

Strategies	Public Sector Bank		Private Sector Bank	
	No. of Bankers	Percent	No. of Bankers	Percent
Strategic Pricing	16	32.00	9	18.00
Market based Approach to Price	10	20.00	5	10.00

Cost based Pricing	9	18.00	15	30.00
Price Privileges	8	16.00	11	22.00
Price Discrimination	7	14.00	10	20.00
Total	50	100	50	100

Interpretation:

From the analysis of surveyed data it can be said that majority of the public sector bankers are adopted strategic pricing (32%) which builds volume and market share of the banks followed by market a based approach to price (20%) for their various services. (18%) of the public sector banks use cost based pricing strategy for analysis of cost structure form tine to time. Only a small percentage of public sector banks are following price privileges (16%) and price discrimination (14%).

(30%) of private bankers are following cost based pricing strategy for serving dual purpose. Estimating cost of each activity on the one hand and providing quality service at reasonable price on the other. Similarly, private sector banks are also following certain price privilege strategy (22%) to their high value clients, followed by price discrimination (20%) according to varied situation. Whereas, a small percentages of private bankers response was they are adopting strategic pricing strategy (18%) and market based approach to price (10%).

PROMOTION STRATEGY

The complexity in the banking services is also an issue of vital importance. This is the time when banks are offering new and innovative services, frequently in the market. The content of promotional tools should help the customer in making most valuable decision. This can be firmly said that well designed promotional strategies are very important to promote banking services effectively. The banking sector seems to have displayed a half-hearted approach towards promotion strategies. The views of sample bankers regarding the various promotion strategies adopted to promote their products are presented in table 4.

Table 4 Promotion strategy used for Marketing of Financial Products

Strategies	Public Sector Bank		Private Sector Bank	
	No. of Bankers	Percent	No. of Bankers	Percent
Advertising	12	24.00	15	30.00
Sales Promotion	10	20.00	12	24.00

Personal Selling	6	12.00	8	16.00
Public Relations	18	36.00	5	10.00
Direct Marketing	4	8.00	10	20.00
Total	50	100	50	100

Interpretation:

Table 4: show that the promotional strategies adopted by both private and public sector banks. The majority of the public sector bankers 36% focus on public relation, as it is a service entity approved by government, where as only 10% of private sector bankers giving emphases on this strategy.

Public sector banks are not mush adopting the strategies of promotion as personal selling and direct marketing, on the other hand same strategies are adopted by private sector bankers. The reasons for this are high reliability and less profit orientation of public sector banks. Public sector banks do not go for innovative strategies of promotion, however they go for interactive marketing through internet but that is not promoted so much like private sector banks, thus only (12%) of the public sector banks use personal selling and (8%) direct marketing strategy to market their products, whereas (20%) in case of direct marketing and (16%) in case personal selling of sample private bankers are following this. However, (20%) of public sector bankers and (24%) of private sector bankers are adopting the sales promotion strategy.

Thus it is evident form the proportion of bankers responses on promotion being the potent marketing tool for attracting new business is comparatively higher is case of private sector banks than the public sector.

PEOPLE RELATED STRATEGIES

Employee plays an important role in the marketing operations of a service organization. Customers' perceptions of the performance of service employees play an important role in customers' evaluations of service quality. In this case of banking, the service employee is often the primary contact point for the customer whenever the customer interacts with the employee. Therefore the bankers' attention should be focused on employee service quality and to develop of their services skills consistently. More specially, it includes attitude, behaviour, expertise, condense, courtesy and willingness to help of the employees toward customers. Table 5 presents the views of bankers regarding people related strategies of banking services in attracting new business.

Table 5 People strategy used for Marketing of Financial Products

Strategies	Public Sector Bank		Private Sector Bank	
	No. of Bankers	Percent	No. of Bankers	Percent
Professional and Dynamic staff	9	17.00	11	21.00
Willingness to help the customer	6	12.00	7	14.00
Providing Training to staff on new products	16	32.00	7	14.00
polite behaviour of staff	6	12.00	8	16.00
Customer friendly staff	8	16.00	9	19.00
Action oriented staff	6	12.00	8	16.00
Total	50	100	50	100

Interpretation:

It is evident from table 5 that the majority of the public sector bankers (32%) focus on providing training to staff on new products. Since, public sector banks are a Government entity, it invests heavily in their employees through training on creating an awareness regarding job act ivies. (17%) public sector bankers' response was towards professional and dynamic staff of their banks however, (16%) of the public sector bankers' are following customer friendly staff, followed by willingness to help the customer, polite behaviour of staff and action oriented staff of each (12%) respectively.

While, for the private banks the major focus on professional and dynamic staff (21%), private sector banks recruit their staff with utmost care and diligence. Every effort is made to appoint those who are efficient well qualified and are well versed with the latest in the market. However, (19%) bankers' views were they are following customer friendly staff strategy to grow their business, which is followed by polite behaviour of staff (16%), willingness to help the customer and action oriented staff (14%). A small percentage of bankers are following providing training to staff on new products (14%).

PHYSICAL EVIDENCE STRATEGIES

Services are often intangible, and customers cannot assess their quality well. So customers use the service environment as an important proxy for quality. Service environments, also called services cape or physical evidence, relate to the style and appearance of the physical surroundings and other experiential elements encountered by customers at service delivery sites. The physical evidence is also important for banks because it conveys to the customers an external image of the service package. Of a bank wants to have user friendly, hi-tech and efficient image, the branch infrastructure will have a comfortable seating, pleasant lighting and temperature, computer systems with advanced technology and network connectivity. Table 6 presents the some of physical evidence strategies followed by both public and private sector banks for marketing their products.

Table 6 Physical Evidence strategy used for Marketing of Financial Products

Strategies	Public Sector Bank		Private Sector Bank	
	No. of Bankers	Percent	No. of Bankers	Percent
Adequate Floor Space	21	42.00	20	40.00
Sufficient No.of Computers	6	12.00	8	16.00
More Counters	4	8.00	3	6.00
Adequate Waiting Space with Comfortable sitting.	10	20.00	11	22.00
comfortable Air Cooling/ Conditioning	9	18.00	8	16.00
Total	50	100	50	100

Interpretation:

Most of the bankers of both public and private sectors are of the opinion that the branches under study have adequate floor space, air conditioned premises, adequate waiting space, mare counters etc. More or less bankers in both the sectors expressed their overall satisfaction regarding the physical facilities available in their respective branch premises.

PROCESS RELATED STRATEGIES

Process describes the method and sequence in services and creates the value proposition that has been promised to customers. The well designed process assures service availability, consistent quality, total ease and convenience to the customers. For service industries, such as banking, process is an important way of creating better value-in-use. The availability of advanced self-service technologies with in the industry has changed the way of banks service their customers. But the processes involved in the banking services should be easy and smooth, fast and accurate, and customer friendly. Followings are some of the process related strategies followed by both public and private sector banks are presented in the table 7.

Table 7 Process strategy used for Marketing of Financial Products

Strategies	Public Sector Bank		Private Sector Bank	
	No. of Bankers	Percent	No. of Bankers	Percent
Flow of activities	14	28.00	13	26.00
Standardization	11	22.00	6	12.00
Customization	8	16.00	7	14.00
Convenient Services	6	12.00	16	32.00
Simplicity	11	22.00	8	16.00
Total	50	50	50	100

Interpretation:

From the table 7 the responses of the sample bankers with regards to strategies adopted are varied and well dispersed. However, the major strategies adopted by the banks are flow of activities, standardization, customization, convenient services and simplicity.

Flow of activities has emerged the cornerstone of the marketing strategy for both public and private sector banks. All the major banks follow RBI guidelines. There has to be adherence to certain rules and principles in the banking operations, the activities have been segregated into various departments accordingly. (28%) of the public sector bankers and (26%) of the private sector banks are giving more focus on flow of activities strategy. As public sector banks are government entity, they are adopting more as compared to private sector.

More specifically, public sector banks focus on standardization (22%) as compared to private sector banks (12%). Public sector banks have got standardized procedures and got typical transactions. Each of the banks has its standard form, documentations, which save a lot of time behind individual transaction. Customization is one of the important marketing strategies for both public and private sector banks. More than (16%) of public sector and more than (14%) of private sector bankers are giving more focus on this strategy. Public sector banks have specialty counters at each branch to deal with customers of a particular scheme. Besides this the customers can select their deposit period among the available alternatives.

A majority of the private bankers (32%) and (12%) of public sector bankers are following convenient services strategy. However, nearly (22%) of the public sector and (16%) of the private sector bankers are giving more priority on simplicity. This makes procedures not on simple but consumes less time. Thus banks need to build an innovation strategy completely around making banking easy and saving people time.

CONCLUSION

Marketing strategy in bank is a plan for action that determines how a bank can achieve its goals and objectives in the light of the existing pressures exerted by completion how a bank can achieve its goals and objectives in the light of the existing pressures exerted by competition with its limited resources. A strategy should be build in a manner to enhance the bank's strength in the market place and the banks have been achieving this through a process of performance budgeting. This paper is focused on the marketing strategies of financial products in private and public sector banks in Hyderabad with a view to identify how marketing mix (7p's) is most important for a bank. Marketing is being practiced by the banks is not so much structured. The research shows that there is a great potential in marketing of financial products which will make the banking sector more effective. The changing environment is creating a changing demand for marketing strategies and by developing an effective marketing strategy banks can retain market shares and profitability as well as competitive advantages.

The above study reveals that public sector is more reliable but no so good in the quality and innovativeness. Private sector banks are not considered so reliable, there may be hidden charges in the services and false and misleading information in the advertising but they are better in the service quality. Private sector banks must be more true and reliable first. They have to win the hearts of the customers, after that they will be able to win minds as well. Private sector banks are adopting more push strategies to attract and catch the customers. This creates the difference between marketing strategies adopted by public and private sector banks.

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CUSTOMER BUYING BEHAVIOR TOWARDS MOBILE HANDSETS- A STUDY IN HYDERABAD CITY

S. Suryaprakash, Lecturer in Commerce
Jagruthi Degree & PG College,
Hyderabad.

ABSTRACT

The consumer behavior plays an important role in marketing management. This is influenced by various factors. In the changing global scenario we find that customers needs and wants to buy a product also changes with it. In this study “Consumer Behavior towards Mobile Handsets in Hyderabad City”, it falls under the category of Fast Moving Consumer Goods. The researcher has assessed the socio-economic profile, shopping pattern consumer and found out the factors influencing the consumer to purchase of Mobile Handsets. The primary data required for the study was collected through questionnaire which was distributed among the 200 samples respondents Based on convenience sampling method. The tools used for data analysis are percentage analysis, Garrett ranking and chi-square test. From this study it was found that most of the customers are influenced by brand and quality in purchase of Mobile Handsets. There by the researcher has suggested improving the quality in the product through product development, future requirements of the users and external monitoring to meet the changing needs of the customers.

Keywords: Consumer behavior, Fast Moving Consumer Goods, Brand loyalty.

INTRODUCTION

Marketing and consumer behaviour are intrinsically connected. Without grasping a level of understanding of what drives customers, marketers would have a pretty difficult time identifying the right market segments and putting together a marketing campaign that will attract attention. Studying customers helps marketers improve their strategies because it gives them insight into understanding buyer behaviour. By obtaining a view into how customers think, feel, reason and choose, marketers can use this information to not only design products and services that will be in demand, but also how to present these options to the consumer base in an attractive fashion. The study of Consumer behaviour is the study of how individuals, groups and organizations select, buy, use and dispose of goods, services, idea or experiences to satisfy their needs and wants. The marketers need to research and understand how the study of consumer behaviour works and only can positioning their production in the desired manner.

LITERATURE REVIEW

Mitul Deliya & Bhavesh Parmar (2012) has studied the "Role of Packaging on Consumer Buying Behavior –Patan District". The study intends to find out how such factors are behind the success of packaging. The purpose of this research is to know the relationship between independent variable and dependent variables. The research is based in Patan District of Gujarat (India). The packaging is the most important factor. The consumer buying behaviour is dependent on the packaging and on its features. Packaging elements like Packaging colour. Background Image, Packaging Material, Font Style, Design of wrapper, Printed Information and Innovation is taken as predictors. Due to increasing self-service and changing customers' lifestyle the interest in package as a tool of sales promotion and stimulator of impulsive buying behaviour is growing increasingly.

Rita Kuvykaite (2009) The package attracts consumer's attention to particular brand, enhances its image, and influences consumer's perceptions about product. Also package imparts unique value to products (Underwood, Klein & Burke, 2001; Silayoi & Speece, 2004), works as a tool for differentiation, i.e. helps customers to choose the product from wide range of similar products, stimulates customers buying behaviour (Wells, Farley & Armstrong, 2007). Similarly, Kotler (2003) distinguishes six elements that according to him must be evaluated when employing packaging decisions: size, form, material, colour, text and brand. The research result of Rita shows the impact of package elements on customers purchase decisions can be stronger. It was concluded that package could be treated as one of most valuable tool in today's marketing communications, necessitating more detail analysis of its elements and an impact of those elements on customers buying behavior. The impact of package and its elements on consumer's purchase decision can be revealed by analyzing an importance of its separate elements for consumer's choice.

Alice Louw (2006) has studied the power of packaging the people belonged to Age 20 -30 years old University graduates were taken for research. 20 respondents were asked to rank 5 water bottles in terms of their overall appeal. They included 20 statements related their packaging. For the remaining 20 respondents, the order of the process was switched: they rated the bottles first and then ranked them. The statements ranged from functional attributes (e.g. easy to drink from, right size) to more emotive, non-functional attributes (e.g. I like the colours, high quality). For both groups there was a clear winner and a clear loser in terms of the rankings. John Th Gersen (2000) worked on The Ethical Consumer. The paper presents a study of a case with these two characteristics: Danish customers' choice presents a study of a case with these two characteristics: Danish customers' choice of environment-friendly packaging. With regard to this case, the evidence supports the claim. A majority of Danish customers have developed personal norms about choosing environment -friendly packaging and the personal norm is a significant predictor of their (self-reported) propensity to choose environment - friendly packaging in the supermarket.

Adelina Broadbridge & Henry Morgan (2007) customer buying behaviour and perception toward retail and brand baby products. A two-stage research methodology consisting of both qualitative and quantitative research techniques was adopted. The population was defined as 'parents of children under the age of five who use baby care products'. Both the qualitative and quantitative research showed that respondents adopted similar risk reduction strategies in their purchase of baby care products. This research investigated consumer perceptions and buying behaviour of baby care products. The results of the primary research indicated that customers need to feel confident with the product in terms of reliability and performance and packaging. Bytyqi Hysen, Vegara Mensur (2008) has research on analysis of consumer buying behaviour in regard to dairy products in kosovo. This survey was carried out by the Department of Livestock and Veterinary Sciences, Agriculture Faculty of Prishtina, Kasovo during 2007. Interviews of 304 respondents were conducted in super-markets (677) and mini-markets (397) and later 23 interviews were completed in green market mainly for Sharri cheese and curd. To study the reasons for choosing milk products upon supply, a coding approach from 1-5 was used (1 = very important; 2 = highly important; 3 = average; 4 = less important; 5 = not important). Perception of customers about dairy products was assessed using different variables i.e. habits, trust, price, quality, package, age of consumer, origin of product, type of shop, brand and gender of consumer. It was concluded that the packaging has great effect on the purchase of dairy products.

OBJECTIVES OF THE STUDY

The main objective of the study is to analyze the customer buying behavior towards mobile handsets in Hyderabad city.

The specific objectives are:

1. To study the relationship between the monthly income and purchasing pattern of mobile Handsets;
2. To find out the relationship between educational background and brand awareness;

3. To find out the relationship between frequencies of mobile purchase and brand loyalty; and
4. To analyze there is any relationship between customer satisfaction and brand loyalty.

HYPOTHESES

1. H0: There is no significant relationship between average monthly income and purchasing of mobile Handsets.
2. H0: There is no relationship between educational qualifications and brand awareness;.
3. H0: There is no significant relationship between frequencies of mobile purchase and brand loyalty; and
4. H0: There is no significant relationship between customer satisfaction and brand loyalty.

METHODOLOGY

For this study both primary and secondary sources of data has been used. However, major portion of the data is pertaining to primary data collected from the respondents from the Hyderabad city. The sample size was only 200 respondents randomly selected from the Hyderabad city. For collecting the primary data, a structured questionnaire has been used and for analyzing the collected data suitable statistical tests such as; percentage analysis, Garrett ranking and chi-square test has been employed to validate the inferences. Scope of the study is confined to the customers of Mobile Handsets from Hyderabad city only. Further, it covers (i) relationship between average monthly income; (ii) educational qualifications and awareness about the brand; (iii) frequencies of mobile purchase and brand loyalty of the brand; and (iv) consumer satisfaction and brand loyalty of the brand.

RESULTS AND DISCUSSION

There are several factors which influences the buying behavior of mobile handsets. The major factors would be monthly income. However, other factors like educational levels which enable them to get exposed to have awareness about the brand, brand loyalty which depends on the satisfaction of the customers with regard to the product and the brand for which they are attached to it for longer time say more than five years.

From the table 1, it is observed that majority of the respondents (42%) are within the monthly income of Rs.10, 000/- to 20,000/- followed by 33 percent with between

Rs.20,000 and 30,000/-, there are another 12.5 percent of respondents are ranging above Rs.30,000 but below Rs.40,000/-, 7 percent are with below Rs.10,000/- and only 5 percent of them are with more than Rs. 40,000/- monthly income. Hence, it can be concluded that majority of the respondents with the monthly income between Rs. 10,000/- and 30,000/-. with regard to brand name that the respondents purchasing is also found that LG Mobile handsets till leading brand in the market with 33.5 percent, Samsung with 28 percent, Nokia 22.5 percent Sony 10 percent and others only 6 percent. Hence, it is concluded that LG and Samsung are leading brands and most of the customers using these mobile handsets according to this study.

Table- 1 Average Monthly Income

Income (Rs)	No. of Respondents	Percentage
< 10,000	14	7.00
10,001 to 20,000	85	42.50
20,001 to 30,000	66	33.00
30,001 to 40,000	25	12.50
> 40,000	10	5.00
Total	200	100

Table-2 Purchasing of mobiles

Brand Name	No. of Respondents	Percentage
LG	67	33.50
Nokia	45	22.50
Samsung	56	28.00
Sony	20	10.00
Others	12	6.00
Total	200	100

Null Hypotheses (H0): There is no significant relationship between average monthly income and purchasing of mobile Handset.

Cross Table

Monthly Income / Purchasing of mobiles	LG	Nokia	Samsung	Sony	Others	Total

< 10,000	8	2	1	1	2	14
	57.14	14.29	7.14	7.14	14.29	
10,001 to 20,000	45	24	12	2	2	85
	52.94	28.24	14.12	2.35	2.35	
20,001 to 30,000	8	5	38	9	6	66
	12.12	7.58	57.58	13.64	9.09	
30,001 to 40,000	4	10	1	8	2	25
	16.00	40.00	4.00	32.00	8.00	
> 40,000	2	4	4	0	0	10
	20.00	40.00	40.00	0.00	0.00	
Total	67	45	56	20	12	200

Calculated value of Chi-Square = 17.12, Degree of Freedom = (r-1)(c-1) = (5-1)(5-1) = 4*4 = 16. Table value of χ2 for dof = 16 @ 5% level of significance = 34.27.

Result: Calculated value of χ2 (95.38) is greater than the table value of χ2 (34.27). Hence, H0 is rejected and it is concluded that there is a significant relationship between average monthly income and purchasing of mobile Handset.

Educational Qualifications and Brand awareness: According to this study, it is seen from the table 2 that majority of the respondents are well qualified, Up to SSC found 12.5 percent, graduates 22.5 percent, post graduates 28 percent, others with 29.5 percent and only 7.5 percent of respondents are Illiterates. Almost all the respondents have an awareness about the brands for mobile handsets because of umpteen number of Advertisements making them aware of all these brands and their availability.

Table-3 Educational Qualifications

Qualifications	No. of Respondents	Percentage
Illiterate	15	7.50
Up to SSC	25	12.50
Degree	45	22.50
PG	56	28.00
Others	59	29.50
Total	200	100

Table-4 Awareness of brands

Name of the Brand	No. of Respondents	Percentage
LG	46	23.00
Nokia	36	18.00
Samsung	25	12.50
Sony	26	13.00
Others	67	33.50
Total	200	100

H0: There is no relationship between educational qualifications and brand awareness.

Cross Table (Educational Qualifications and Brand Awareness)

Edu. Qulins / Brand Awareness	Illiterate	Up to SSC	Degree	PG	Others	Total
LG	7	3	1	1	3	15
	46.67	20.00	6.67	6.67	20.00	
NOKIA	12	8	1	2	2	25
	48.00	32.00	4.00	8.00	8.00	
Samsung	9	5	7	6	18	45
	20.00	11.11	15.56	13.33	40.00	
Sony	12	10	12	8	14	56
	21.43	17.86	21.43	14.29	25.00	
Others	6	10	4	9	30	59
	10.17	16.95	6.78	15.25	50.85	
Total	46	36	25	26	67	200

Calculated value of Chi-Square = 17.12, Degree of Freedom = (r-1)(c-1) = (5-1)(5-1) = 4*4 = 16. Table value of $\chi 2$ for dof = 16 @ 5% level of significance = 34.27.

Result: Calculated value of 40.18 is greater than the table value 34.27. Hence, H0 is rejected and it is concluded that there is a relationship between educational qualifications and brand awareness about the product.

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Purchase Frequency and Brand Loyalty: It is observed from the table 5 that there are more than 30 percent of respondents have opined that they buy the mobile handset whenever required, 26 percent of them use to buy once in 3 years, 22 percent use to buy once in a 2 year and more than 20 percent of respondents said that they buy in less than a year. Further, they are brand loyal to all the major brands and the entire brand has an average of 20 percent loyalty.

Table- 5 Purchase Frequency

Purchase Frequency	No. of Respondents	Percentage
Every 6 months	18	9.00
Once in a year	23	11.50
Once in 2 years	44	22.00
Once in 3 years	52	26.00
Whenever required	63	31.50
Total	200	100

Table- 6 Brand Loyalty towards different Handsets

Brand	No. of Respondents	Percentage
LG	46	23.00
Nokia	36	18.00
Samsung	25	12.50
Sony	26	13.00
Others	67	33.50
Total	200	100

H0: There is no significant relationship between frequencies of mobile purchase and brand loyalty.

Cross Table

Purchase Frequencies / Brand loyalty	Every 6 months	Once in a year	Once in 2 years	Once in 3 years	Whenever required	Total
LG	7	6	1	1	3	18
	38.89	33.33	5.56	5.56	16.67	
NOKIA	12	6	1	2	2	23
	52.17	26.09	4.35	8.70	8.70	

Samsung	9	4	7	6	18	44
	20.45	9.09	15.91	13.64	40.91	
Sony	12	6	12	8	14	52
	23.08	11.54	23.08	15.38	26.92	
Others	6	14	4	9	30	63
	9.52	22.22	6.35	14.29	47.62	
Total	46	36	25	26	67	200

Calculated value of Chi-Square = 17.12, Degree of Freedom = (r-1)(c-1) = (5-1)(5-1) = 4*4 = 16. Table value of χ2 for dof = 16 @ 5% level of significance = 34.27.

Result: Calculated value 43.71 is greater than the table value 34.27. Hence, H0 is rejected and it is concluded that there is a relationship between frequency of purchase and brand loyalty.

Consumer Satisfaction and Brand Loyalty: To measure the customer satisfaction level it is found that more than 40 percent found to be satisfied and highly satisfied, 37 percent of respondents opined that they could express neither satisfied nor unsatisfied and about 22 percent could express unsatisfied and highly unsatisfied. Further, there are 23 percent of respondents opined that they are loyal to LG brand, 18 percent Nokia, Samsung & Sony found almost an equal brand loyalty which accounted for 12 and 13 percent respectively.

Table-7 Consumer Satisfaction

Satisfaction	No. of Respondents	Percentage
Highly unsatisfied	12	6.00
Unsatisfied	32	16.00
Neutral	75	37.50
Satisfied	58	29.00
Highly Satisfied	23	11.50
Total	200	100

Table-8 Brand Loyalty

Brand	No. of Respondents	Percentage
LG	46	23.00
Nokia	36	18.00
Samsung	25	12.50

Sony	26	13.00
Others	67	33.50
Total	200	100

H0: There is no significant relationship between consumer satisfaction and brand loyalty.

Cross Table (Consumer Satisfaction and Brand loyalty)

Consumer Satisfaction / Brand loyalty	Highly Unsatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	Total
LG	2	2	6	1	1	12
	16.67	16.67	50.00	8.33	8.33	
NOKIA	6	13	3	3	7	32
	18.75	40.63	9.38	9.38	21.88	
Samsung	12	9	12	13	29	75
	16.00	12.00	16.00	17.33	38.67	
Sony	15	11	3	1	28	58
	25.86	18.97	5.17	1.72	48.28	
Others	11	1	1	8	2	23
	47.83	4.35	4.35	34.78	8.70	
Total	46	36	25	26	67	200

Calculated value of Chi-Square = 17.12, Degree of Freedom = (r-1)(c-1) = (5-1)(5-1) = 4*4 = 16. Table value of $\chi 2$ for dof = 16 @ 5% level of significance = 34.27.

Result: Calculated value of 67.49 is greater than the table value 34.27. Hence, H0 is rejected and it is concluded that there is a relationship between customer satisfaction and brand loyalty.

SUGGESTIONS

- Mobile manufacturing company should try to produce different models of the mobile phones at reasonable prices to attract different customers and increase the availability of the models of mobile phones in the market to the customers. The company should utilize its brand image to the best of its use.

- The company should take measures towards customers who are loyal to the brand and make sure that they do not shift to other brands by providing best services to customers. The advertisement should be simple and easy so that it catches the attention of the viewer since awareness of the products is mainly through advertisement.
- Dealers should take steps for promotion of sales through sales promotion techniques like price discount coupons. The dealers should develop good relationships with the customers as they influence most of the purchase decisions. Free gifts/offers/discounts have to be given in order to with stand competition in the market.
- The dealer should give importance to the brand of mobile phones as some of the customers are feeling that the other brand product quality is good compared to its competitor's products. The advertisement messages must be designed user specific. The advertisement copies should be prepared in the language and idiom of the people who wish to purchase a particular brand of mobile.
- The companies should undertake research to study the media habits and buying motives of the customers taking information both from dealers as well as customers. This will help to design appropriate messages and to identify appropriate media for customers.
- The dealer should try to sell only branded mobile phones reasonable price and should avoid the false statements. Dealers should improve all the facilities like service, exchange offers, and credit facilities.
- The dealer should always research the customer's habits and beliefs and send the information to companies in order to produce customer friendly mobile phones. The company should accept the dealer's suggestions and accordingly they should implement the production of product. The dealer should improve the services and accessibility.
- The dealer should explain to the customers how the product is to be used carefully with directions and indications. While demonstrating the usage of product, the promotion strategy should be in simple language that makes the customers to easily understand.
- The company should develop good relationship with the dealers in order to improve the sales of products. The dealer should understand the customer satisfaction which is more important at all the situations.

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GST - A PARADIGM SHIFT OF TAXATION AND ITS IMPACT ON INSURANCE SECTOR

C. Deepak, Associate Professor
Department of Business Management,
St.Vincent Post Graduate College, Hyderabad.

ABSTRACT

Modi's government vision to simplify the process of doing business is the base for the introduction of GST which "Only one" indirect tax which needs to be paid by trade and industry and all other are subsumed in this GST. Although GST will harmonize and simplify the existing taxing system and fill the gaps between state and central which were faced in a decentralized earlier system. Like every coin has two sides even GST has own positives and negatives impacting insurance segment. Currently, the industry is going through tough times due to government policies of launching populist Pradhan Mantri Insurance schemes which are bleeding insurers and other hand GST increasing premiums cost and compliances to meet by the sector. The paper discusses holistically insights of the impact due to the paradigm shift of taxing process under GST on insurance sector including its premiums under different policies. Although it is a daunting task to avoid increasing costs due to GST implications but moving forward insurance policy need to be seen for meeting untoward incidence by safeguarding customer with financial security.

BACKGROUND

Indirect taxes have cascade effect if taxes are levied on several inputs (good or service) that have already been taxed, along with inputs to those inputs. This leads to high-cost and inefficient tax structure prone to evasion and revenue leakage. The indirect tax reforms of the mid-1980s implemented 'Modvat' later termed 'Cenvat', which avoid tax-on-tax by allowing credit of tax paid on inputs and capital goods up to the manufacturing stage. Later in the year 1994, service tax was introduced by the center to tax on services rendered. A decade later, the input tax credit scheme for Cenvat and service tax was rationalized to permit the cross-flow of credit across the two taxes. From the year 2005-06, the states began a phased changeover from a multiple-point sales tax regime to a value added tax (VAT) system covering transaction and sale of goods up to the retail stage. Despite the reforms, there are significant tax-cascading remains in place. Hence the need to use modern technology with integrated goods and services tax (GST) and making sure that tax is paid on the value added at each stage of output and set-offs available along the value chain, both at the center and the states.

INTRODUCTION:

Goods and Service Tax (GST) will change the tax architecture between the state and center. The change in structure, incidence, and computation of indirect taxes will lead to a comprehensive restoration of current tax regime in India. With GST implementation both cascading tax effect and double taxation on the sale of goods and services will be eliminated. In fact, GST shifts focus of taxation from current origin-base taxation to destination-based tax which the new GST shifts tax collection to consuming states from the current system of producing states. This puts producing states under huge disadvantage especially in cases where outbound trade is high. On the other hand, even the states which consume more and produce less will be reluctant to increase production leading to unjust treatment for producing states. GST rate becomes crucial to overcoming this difficulty which is done by work out a Revenue Neutral Rate (RNR) for bringing a level playing to all states. RNR is the single rate, which preserves Central as well as State revenues at desired levels. Current RNR rate of 18% decided with exclusions of petroleum products, tax on liquor or alcohol, stamp duty, customs duty, tax on electricity, natural gas, Aviation turbine fuel etc. However, there is a sound rationale for the constitutional amendment Bill for GST to have a clear provision for an additional 1% tax on interstate trade for a two-year transition period that is to be decided by the GST Council.

OBJECTIVE OF THE STUDY

The study focuses on the impact of GST on insurance sector holistically both on account of meeting compliances and cost of premiums for different policies. It also suggests moving forward how both the customers and insurer's need to treat insurance policies for meeting compliances and insurance needs under GST regime.

RESEARCH METHODOLOGY

The study is based on secondary data collected from various sources especially from articles, journals media and IRDA reports. Various websites have also been studied to conduct the study.

OVERVIEW INSURANCE SECTOR

As per Economic Times dated August 03, 2016, the life insurance segment has been shrinking. From 4.6% in 2016, the growth rate has fallen to 2.6% in 2016. Added to this the launch of Pradhan Mantri affordable insurance coverage schemes with the intention to make policies cheaper and bring social security to citizens. A financially secured society can concentrate more on the progress rather concerning about how to sustain economically. However, the government has exempted Pradhan Mantri Jeevan Jyoti policies from service tax, which has positively impacted the society. This indicates that the government is aware of the importance of insurance plans importance of insurance plans as social security. Thus, by making insurance policies cheaper, we are giving a boost to establish a financially secured country.

Insurance, being a service industry, currently deals with one single tax(service tax) with one administering authority(the central government) which is going to change with new GST wherein it has to deal with location or such registered person(i.e. client) for insurance service.

IMPACT OF GST ON INSURANCE PREMIUM

Type of Policy	Current	After the implementation of GST
Term insurance / pure risk insurance policies	15.00%	18.00%
ULIPs #	15.00%	18.00%
Health insurance policies	15.00%	18.00%
Annuity: Single Premium	1.50%	1.80%
Endowment policies (1st year)	3.75%	4.50%
Endowment policies (2nd year onwards)	1.88%	2.25%
Motor insurance policies	15.00%	18.00%

Service tax is deducted from the risk portion of the premium
(Source: ICICI Prudential Life, IRDA, Personal FN Research)

PLACE OF SUPPLY OF INSURANCE SERVICES

In new GST, insurance is been treated as part of the service sector, financial services which have both B2C and B2B operations with pan-India presence with a product mix of their operations.

Location of such registered person (i.e. client) for insurance services; and
Location of the service recipient (who is a non-registered person) on the records of the supplier.

For an insurance business, it will be essential to identify whether services are provided to a registered person as this would be the determinant factor to decide the place of supply of a service.

TAX TREATMENT OF REVENUES

The insurance sector typically pays service tax on its policies on the risk element, with value ascription norms which determine the risk and service components of premiums; the investment aspects of the policies are typically out of the service tax net. The continuation of this approach to tax insurance will need to be closely watched under the GST regulations and is expected to be a part of the rules formulated by the GST Council.

TAX TREATMENT OF REVENUES UNDER GST

The insurance sector typically pays service tax on its policies on the risk element, with value ascription norms which determine the risk and service components of premiums; the investment aspects of the policies are typically out of the service tax net. The continuation of this approach to tax insurance will need to be closely watched under the GST regulations and is expected to be a part of the rules formulated by the GST Council.

TAX COMPLIANCE PARADIGM UNDER GST

Currently, though businesses have operations spread across India, compliances are typically undertaken on a centralized basis, primarily at the head office. Thus, all revenues, procurements, and credits are accounted for service tax compliances at this centralized location.

Under the GST regime, this centralized aspect of recognizing revenues, procurements, and credits would need to be revisited. If the centralized system is continued, it could trigger associated elements such as self-supply of services by units of the same company to its head office, or require transfer of credits from such units through the Input Service Distributor (ISD) mechanism.

Further, there is a need to reduce the administrative costs of compliance which is included in premiums paid by customers. GST on input services such as the commission of agents of insurance policies is typically sourced by the traditional channel of agents, who usually reside in the same state as that of the policyholder. However, the policy is generally underwritten and issued by the head office of the Insurance Company to the customer. Accordingly, it may be clarified that GST needs to be paid by the head office. This approach would ensure that the States do not lose out on the revenue. Additionally, the concept of inter-branch supply should not be extended on the Insurance sector considering that so many activities are interconnected. It is also next to impossible to trace the overall economic value of all these activities. It is further urged that the centralized assessment continues under IGST from the point of view of ease of doing business.

On input services like reinsurance policies and commission of the agents, the GST should be rendered to the account of the head department where the plan agreements happen. This would create a flawless credit chain and simplified compliance. It is recommended that an effective mechanism should be adopted for the transfer of credit collected in offices to reduce unused credits and increase the frequency of the refund process.

CREDIT LEAKAGE AND REVERSALS

The services sector currently face credit leakages in the form of elements of customs duty (SAD) and VAT on the procurement of goods; these duties are expensed out through the profit and loss account. In the GST regime, these credits should be available to the services sector. Given this, the companies should put a mechanism in place to be able to capture these items for minimizing leakages.

Currently, a financial services company engaged in giving loans etc is required to reverse credits – either 50% of credits or on a proportionate basis, depending upon its mix of revenues. The company can analyze its approach for reversal of the credits. While the Model GST Law does specify that credit pertaining to only taxable supplies will be allowed, the specific norms (eg 50% credit reversal etc) available to the financial services sector has not been inserted in the current version and may be incorporated as a part of the detailed rules.

GST ON ONLINE CHANNEL SALES - INSURANCE SECTOR

Financial products are now sold online; websites provide the product information and also operate as marketplaces. Norms have been prescribed for e-commerce companies under the Model GST Law to withhold tax. The place of supply of all online insurance service providers should be based on the location of the service provider in case of business-to-customer (B2C) transactions and that of the service receipt in the case of business- to-business (B2B) transactions.

GST IMPACT ON PREMIUMS OF DIFFERENT POLICIES

TERM PLAN

Term plans purely offer death benefit and is termed as pure risk protection plans. In such plans sum assured is paid to the nominee, if insured dies during the term of the policy. To be more specific under term plans insurance company is liable to make payment only if the insured dies when the policy is active and in force. And if the customers live out the term the liability of insurance company is zero and premium paid is also nullified with any returning premium unless written in the terms.

The term insurance is meant to cover pure risk element throughout the tenure of the policy. At present, it is increased to 18% in GST from service tax of 15 %.(i.e. means premium to be costlier by 3% or 300 basis points.

A). Impact on premium amount under different scenarios under GST for Life Insurance Products.

A.1). Tax calculated on gross premium minus the amount allocated for investment, or savings on behalf of the policyholder, if such amount is informed to the policyholder.
For example,

Tax Calculation for polices with Insurance & Investment component

Particulars	Service Tax @15%	GST @ 18%
Gross Premium	1000	1000
Investment Portion	600	600
Life Insurance Portion	400	400
Tax	60	72

A.2). Single premium annuity policies- 10% of the premium
A.3). All other cases- 25% for 1st year and 12.5% for 2nd year onwards on the premium charged
For example,

Other cases- 25% for 1st year and 12.5% for 2nd year

Gross Premium p.a.	1000
1st Year 25% of value	250
GST @18% on 250	62.5
2nd year 12.5% of value	125
GST @18% on 125	22.5

A.4). If the entire premium is for life insurance, GST @18% will apply on the entire premium

ENDOWMENT PLAN

Endowment plans or traditional insurance savings plans offer both death and maturity benefits, whichever occur first. Currently, endowment plans attract a service tax of 3.75 % on the premium in the first year of the policy and which will rise to 4.5 % in the first year under the new tax GST regime. As of now, 1.88 % of the service tax is levied on endowment plan's premium for the second year, which is expected to rise to 2.25 % from the second year onwards after the implementation of GST.

ULIP

Unit Linked Insurance Plans (ULIPs) is a combination of insurance and investment under single integrated plan offering dual benefit. Under ULIP the service tax is calculated on the component of the premium that goes towards covering risk. With GST coming into application the service tax of 3.5% which is levied on protection part of ULIPs in the first year would go up to 4.5% and from the second year 1.75% it will increase to 2.25% tax.

"Savings products like Endowment and ULIP have a large component of consumer's savings other than risk premium. Service Tax(without cess) was 14.5% on pure risk products, 3.5% of the first year and subsequent 1.75% on Endowment, 14% on ULIP insurer charges which are composite of risk and fund management fees," said Joy deep K Roy, Partner and Leader-Insurance, PWC India.

HEALTH INSURANCE PLAN

Under Health insurance coverage there is no direct benefit offered to the customer unless he/she falls sick. Of course, the insurance company will add a No Claim Bonus (NCB) to customer cover, but again, to claim this, customer need to have a medical condition. In current tax regime, health plan premium attracts a service tax of 15 % on its premium cost which is going to increase to 18% with the implementation of new GST. This is an increase of 3% of the cost of premium which will not have input tax credit as health insurance is for personal purposes. Even the corporate group health insurances for their employees will not enjoy any input tax credit. The nature of such policies makes them price sensitive wherein people tend to go with plans costing less.

GENERAL INSURANCE

It includes non-life products such fire insurance, marine insurance, car insurance, theft insurance etc. This segment insurance premium attracts the service tax of 15 %, which will rise to 18 % from July 2017 has a direct impact to policyholders with 3% increase in premium. But for corporate policyholders who have taken general insurance can enjoy the benefit of input tax credit on the GST paid on their policy.

IMPACT OF GST ON INSURANCE SECTOR

Insurance comes under services sector regime under financial services which have both B2C and B2B operations which will face incremental challenges due to nature of operations. The primary being Pan-India presences and the product mix of their operations. Below are impact areas of the Insurance sector in light of GST.

GST INCREASES THE COST OF PREMIUMS

As per GST tax structure, Insurance comes under financial services with 18 percent as GST rate. Currently, insurance policies attract a service tax of 12.5 percent. In addition to education cess and Krishi Kalyan Cess is applicable which takes the rate of taxation to 15 percent. This is 3 percent more than the older rate of 15 percent. Now the question comes either it has to be charged to customer or insurance company has to bear the burden. This would mean, direct impact on the premium being paid by policyholders if the burden is shifted to customers.

The impact of GST on premium is based on policy type which customer subscribed. An insurance policy is broadly categorized as Term Plan, Endowment Plan, ULIP, Health Insurance Plan, and Motor Insurance.

The cost of compliance and technology costs are expected to see at least 15 percent jump for insurers which they will be passing to customers increasing the cost of the premium.

IMPACT ON PRACTICE OF BUYING INSURANCE

As insurance is meant to safeguard against the untoward incident increase in premium should not dent the buying practice. In fact recent trend of cost effective insurance schemes launched under " Pradhan Mantri Yojana Schemes" like PMSBY and PMJJBY which is covering poorest of poor Indian at the premium cost of just Rs.12/- and 330/- per annum itself has changed the dimensions of the insurance sector. Even new methods of service delivery such online channels has gained momentum and accepted by the newer generation of customers due to changing conditions of education levels and knowledge by the customer. It also changed the proposition of expenses related to policy issuance and intermediary commission, etc which were part of cost bared by insurance customers. With huge potential for customers which includes untapped rural population, the sector is going to see a huge increase in business in spite of a marginal increase in premiums due to the introduction of GST.

INCREASE IN COMPETITION AMONG INSURERS

The situation currently prevailing also bringing competition in the sector where the customer has an option to choose the company which absorbs this additional tax cost by offering the best insurance proposition to the customers. But sector also needs to understand that the benchmark of the premium price is already challenged by government populist schemes which have nominal premium exempted from GST resulted insurer's bleeding. Insurance premium includes both costs of covering risk element and expenses related to policy issuance, intermediary commission etc which will be lowered by insurers as a higher incidence of service tax may aggravate the price wars among insurance companies which will have a greater impact on price sensitive customers.

CONCLUSION

It will be too early to predict the impact of GST on the Insurance sector at the current juncture which is getting squeezed from one hand by government launching populist schemes bleeding insurers which are currently exempted from GST and on other hand GST increasing the insurance premium costs. Apart from this as on date still lot of clarity is also needed from the government with regard to issues like the cap of expenses of management by insurance regulator which has specified maximum expenses for each segment of business etc. In spite of insurers sought for a lower rate of taxation and centralized registry system that will help them ease in tax disbursal process to save costs is not been considered by the government. The new GST regime is expected to increase overall compliance as well as administrative costs which will be passed in form of increase in premium hike which is expected to be around 5-10 percent from the year 2019.

Even though there is an increase in the cost of premiums which should not dent the industry as it also brings transparency and accountability in the system. Also one needs to look insurance holistically which includes the benefits, inclusions, exclusions, policy coverage, policy term, and the premium cost. Insurance plans, especially term insurance plans are meant to cover individual by compensating financially to the family in case of any untoward incident which has greater impact if the individual is sole bread earner of the family.

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STRATEGIC ALLIANCES AS A HIGH LEVEL COLLABORATIVE STRATEGY FOR GROWTH AND EXPANSION OF THE ORGANIZATION – A SELECT CASE STUDY

Dr. Abdul Razak, Research Scholar
Department of Business Management,
Osmania University, Hyderabad.

Prof. S. Pardhasaradhi, Retd. Professor
Department of Business Management,
Osmania University, Hyderabad.

In this era of global competition, companies are adopting various forms of collaboration with domestic and international counterparts to find a space in the global marketplace and help in strengthening their competitive advantage. A strategic alliance is one of the major strategies for growth of international business companies. The present study analyses the conceptual framework of strategic alliances, various theories and motives behind formation of strategic alliances with special orientation to Indian Industry and firms. Strategic alliance is a contract between two or more organizations to cooperate in a particular business activity. By this, both the companies get benefits from the strengths of the other and achieve competitive advantage. The formation of strategic alliances has been advanced after the globalization and seen as a quick response to liberalization.

The case study of Tata Starbucks Strategic alliance is taken for this paper. Tata Global Beverages Limited and Starbucks Coffee Company announced a strategic alliance between the second largest branded tea company and iconic international coffee brand in the world. The 50:50 joint venture, named TATA Starbucks Limited, owns and operates Starbucks cafés, branded as Starbucks Coffee "A Tata Alliance." The first store has opened at Mumbai and subsequently 2 stores are opened at New Delhi in India on October, 2012. Presently, it owns and operates 60 stores in all the major cities in India. The alliance is expected to be very fruitful to both the companies in the long run. The report seeks to strategically assess the viability of this strategic alliance by peeping into its myriads of dimensions.

Keywords: Strategic alliance, Globalization, Liberalization, International Business

INTROUDCTION

In this era of global competition, companies are adopting various forms of collaboration with domestic and international counterparts to find a space in the global marketplace and help in strengthening their competitive advantage. A strategic alliance is one of the major strategies for growth of international business companies. The present study analyses the conceptual framework of strategic alliances, various theories and motives behind formation of strategic alliances with special orientation to Indian Industry and firms.

Strategic alliance is a contract between two or more organizations to cooperate in a particular business activity. By this, both the companies get benefits from the strengths of the other and achieve competitive advantage. The formation of strategic alliances has been advanced after the globalization and seen as a quick response to liberalization. This will lead to ambiguity and complication in the business environment. Strategic alliances include the knowledge sharing and expertise between the associates as well as the reduction of costs and risks in areas such as relationships with vendors and new product development and new technologies. Strategic alliances are rational and response timely to penetrate and make rapid changes in technology and economic activity.

Strategic alliances become an important type of business activity in most of the industries particularly in view that companies are competing in the global world and should adapt and respond to the various changes driven by Liberalization, privatization and globalization, which increased customer needs and business complexity. Strategic alliances are not a solution for each and every company at every situation. But, through strategic alliances firms can progress their competitive positioning, supplement critical skills, gain entry to new markets and share the cost and risk of major development assignments.

Review Literature:

Michael E. Porter, 1990- Strategic alliances are long-term agreements between firms that go beyond normal market transactions but fall short of merger. Forms include joint ventures, licenses, long-term supply agreements, and other kinds of inter-firm relationships.

Dussauge & Garrette, 1995- An alliance is a cooperative agreement or association between two or more independent enterprises, which will manage one specific project, with a determined duration, for which they will be together in order to improve their competences. It is constituted to allow its partners to pool resources and coordinate efforts in order to achieve results that neither could obtain by acting alone. The key parameters surrounding alliances are opportunism, necessity and speed.

Yoshino & Rangan, 1995- A strategic alliance is a partnership between two or more firms that unite to pursue a set of agreed upon goals but remain independent subsequent to the formation of the alliance to contribute and to share benefits on a continuing basis in one or more key strategic areas, e.g. technology, products.

Gulati, 1998- Strategic alliances are voluntary arrangements between firms involving exchange, sharing, or co-development of products, technologies, or services. Strategic alliances are critical to organizations for a number of key reasons:

- Organic growth alone is insufficient for meeting most organizations' required rate of growth and return.
- Speed to market is very crucial and essential, and alliances greatly improve it.
- Complexity is increasing in today's global world, and no single firm has the required total expertise to serve the customer as good as possible.
- Alliances can cover rising research and development costs and expenses.
- Alliances facilitate access to global markets in marketing the products and services.

Strategic alliances have some characteristics: (Ungson and Wong, 2008)

- Two or more organizations (business units or companies) make an agreement to achieve objectives of a common interest considered important, while remaining independent with respect to the alliance.
- The partners share both the advantages and control of the management of the alliance for its entire duration.
- The partners contribute, using their own resources and capabilities, to the development of one or more areas of the alliance (important for them).This could be technology, marketing, production, distribution, R&D or other areas.

Benefits of the Strategic Alliances: (Isoraite, 2009): There are four potential benefits that international business may realize from strategic alliances:-

a. Ease of market entry: Advances in telecommunication, information technology and logistics and supply chain management have made entry into foreign markets by international firms very easier. Entering into foreign markets deliberates benefits such as economies of scale and increases opportunity in marketing and distribution. The rate of entering an international business and international market may be beyond the capabilities of individual firm, but by entering into a strategic alliance with an international firm, it achieves the advantage of fast entry while keeping the cost low. Choosing a strategic partnership as the entry mode may overcome the hindrances like embedded competition and intimidating government rules and regulations.

b. Shared risks: Sharing the risk is another common reason for undertaking a strategic alliance i.e., cooperative arrangement when a market has just opened up, or when there is much instability and ambiguity in a particular market where sharing risks becomes mainly important. The competition and competitive nature of business makes it very difficult for a business to enter a new market or launch a new product. But by forming a strategic alliance, a firm can reduce or control its risks to the optimum.

c. Shared knowledge and expertise: Many companies are competent in certain areas and lack expertise in few areas; as such, forming a strategic alliance can allow ready access to knowledge and expertise in an area that an organization lacks. The knowledge, expertise and information that an organization gains, can be used not only for the alliance project, but also for all other projects and purposes. The knowledge, expertise and information can range from learning to deal with government rules & regulations, production knowledge, or learning how to acquire resources. A learning organization is always a growing organization.

d. Synergy and competitive advantage: One of the reasons for firms enter into a Strategic alliance is for achieving synergy and competitive advantage. As compared to entering a market alone, forming a strategic alliance becomes a way to decrease the risk of market entry, research and development, international expansion, etc. Competition becomes more efficient and effective when both the partners leverage off each other’s strengths, bringing synergy into the process that would be hard to achieve if attempting to enter a new market or industry.

OBJECTIVES OF THE STUDY

- To trace the strategic alliance as a tool to harness the core competencies of strategic partners for strategic competitiveness.
- To identify the motives for a firm to enter into strategic alliance.
- To study the importance and benefits of Strategic alliance.

TYPES OF DATA SOURCES:

SECONDARY DATA: Main Source of Information

The access to the data and the information for analysis is obtained in documented form and the data is predominantly secondary in nature. The main sources of information are: (i) Records of Companies (ii) Records of Income Tax Act, 1961 [Section 2(1A)]; (iii) Records of Industry iv) Books, journals, e-journals, periodicals and other published data and information.

Other Sources of Information: PRIMARY DATA

The second category of information and data relates to perceptions, opinions and views of knowledgeable people who are either actively involved in the transactions on either side , as well as those who are interested in the issue .The primary data necessary is generated through unstructured interviews schedule and personal interactions. These interviewees were essentially attempts to explore the views and judgements. The interviewees included top managerial personnel of various companies. This source of data enables where ever there exists information gap.

Data Collection:

The study is made with respect to two large companies belonging to Private sector which were considered after examining Case studies from published sources. Tata Tea and Star Bucks on Strategic alliances is taken for the study.

Methodology:

The present study is an evaluative study how the Strategic Management tools are adopted by the firms for strategic competitiveness. A case study method is chosen because it highlights the complexity of a single case and particularity and it is not designed to optimize on generalizations.

LIMITATIONS OF THE STUDY

Strategic alliance literature primarily focused on successful cases from secondary source of data and based on only interview schedule for primary source of data. However, case lacked exhaustive listing of causes and strategies due to non-accessibility to some of the top officials who were directly associated with the Strategic alliances.

The present study is focused on specific Strategic tool used in managerial decisions. Therefore the study does not comprehensive cover the entire strategic management process of strategic formulation and implementation; rather it addresses one of the Strategic tools i.e., Strategic alliance used by the top management in crafting the strategies.

ANALYSIS OF CASE STUDY

Background

Tata Global Beverages Limited and Starbucks Coffee Company announced a strategic alliance between the second largest branded tea company and iconic international coffee brand in the world. The 50:50 joint venture, named TATA Starbucks Limited, owns and operates Starbucks cafés, branded as Starbucks Coffee “A Tata Alliance.” The first store has opened at Mumbai and subsequently 2 stores are opened at New Delhi in India on October, 2012. Presently, it owns and operates 60 stores in all the major cities in India. The alliance is expected to be very fruitful to both the companies in the long run. The report seeks to strategically assess the viability of this strategic alliance by peeping into its myriads of dimensions.

About Starbucks: Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting the highest-quality arabica coffee in the world. Today, with more than 17,000 stores around the globe, the company is the premier roaster and retailer of specialty coffee in the world. Through our unwavering commitment to excellence and our guiding principles, we bring the unique Starbucks Experience to life for every customer through every cup.

About Tata Global Beverages: Tata Global Beverages is a part of the global Tata Group. Tata Global Beverages is a global beverage business and the world’s second largest tea company. The group’s annual turnover is US $1.5 bn and it employs around 3000 people worldwide. The Company focuses on ‘good for you’ beverages and has a stable of innovative regional and global beverage brands , including Tata Tea, Tetley, Himalayan natural mineral water and Eight O’ Clock Coffee.

Strategic Intent

Starbucks Corporation aims India as its next major hub for big business. Starbucks want to repeat the success they had in United States and more recently, in china. Amazingly, their venture in China made more profits than that of United States. In India, Starbucks entered into a agreement with TATA Coffee Ltd, Asia’s largest publicly traded coffee grower. This is, in particular, a non-binding agreement between two companies. The plans are to combine the trust and heritage of TATA coffee with the iconic brand image of Starbucks Coffee which can move on to development of Starbucks retail coffee chains in India and other parts of Asia. In addition to this, sourcing and roasting of coffee beans from TATA‘s Indian facilities, the companies will also work towards establishing and developing Starbucks stores in retail outlets and hotels.

Also, the Indian market is heavily driven by the upcoming youth culture which is totally driven by the western trends. With the success of Indian owned Cafe Coffee Day and Barista Coffee, it is a widely proven fact that there is lot of scope for the development of coffee cafe culture in India. Thus, Starbucks want to capitalize on this particular opportunity.

Starbucks Mission Statement: In early 1990, the senior executive team at Starbucks went to an offsite retreat to debate the company's values and beliefs and draft a mission statement. Schultz wanted the mission statement to convey a strong sense of organizational purpose and to articulate the company's fundamental beliefs and guiding principles. The draft was submitted to all employees for review and several changes were made based on employee comments. The resulting mission statement and guiding principles are "To inspire and nurture the human spirit – one person, one cup and one neighbourhood at a time." In 2008, Starbucks partners from all across the company met for several months to refresh the mission statement and rephrase the underlying guiding principles.

Importance and Benefits of Strategic alliance of Tata Coffee and Starbucks

Starbucks is very quality driven organization and is passionate about ethically sourcing the finest coffee beans, roasting them with great care and improving the lives of people who grow them. Starbucks call their employees as the partners and treat each other with respect and dignity. The employees at Starbucks get engaged with their customer and connect with them so as to laugh with them, uplift customers' lives even if it is just for moments. They believe in human connection and developing the sense of belonging. They believe in creating good neighbourhood and each store is nourished as a community.

Tata has made the cultural fit for Starbucks which will help in building core competencies of each other. (Tata has met all the stringent standards and conditions followed by Starbucks such as quality, soil, water, pest, waste and energy management, forest and biodiversity conservation to workers' welfare, wages and benefits, living conditions, health, safety, etc.)

Starbucks is committed to a role of environmental leadership in all facets of their business. They strive to fulfil this mission by a commitment to:

- Understanding of environmental issues and sharing information with their partners
- Developing innovative and flexible solutions to bring about change

- Striving to buy, sell and use environmentally friendly products.
- Recognizing that financial responsibility is essential to their environmental future
- Instilling environmental responsibility as a corporate value
- Measuring and monitoring the progress for each project
- Encouraging all partners to share in their mission

Competitive Advantage of Starbucks

- Strong brand image
- Starbucks specializes in coffee and related beverages.
- Starbucks is the largest coffee house company in the world.
- They have loyal customers worldwide.

Marketing Strategy of Starbucks

- Starbucks started a community website, My Starbucks Idea.
- It's rare to find a Starbucks in a billboard, and space, newspaper or poster in places.
- The company has went to great lengths to create a "Community atmosphere" among premium coffee lovers.
- Starbucks operates primarily through alliances, joint ventures and licensing arrangements with consumer products business partners.

Competitive Advantage of Tata Coffee

- The largest integrated coffee plantation company in the world.
- It's uniqueness lies in its ability to produce large quantities of estate specific, strain specific, special and premium coffee, while maintaining a strict consistency in quality.
- It has a hand in every aspect of the coffee making process.
- With the major coffee consumption markets being Arabica-centric, this lobby has been prevailing in international markets by Tata coffee.

About the deal

- Starbucks made a strategic alliance with Tata coffee to start up its business in India.

- Starbucks will explore setting up stores in the Tata group's retail outlets and hotels, besides sourcing and roasting coffee beans at Tata Coffee's Kodagu family.
- This Agreement includes opening cafes, bean sourcing and roasting.
- One of the hurdles that the two companies have to sort out is Starbucks' franchisee-led model.

Objective of Tata Coffee behind this Alliance:

- The agreement will allow Tata coffee to provide roast coffee bean to Starbucks in India.
- Get opportunity to jointly invest in additional facility for export to other markets
- Starbucks will help by providing new technologies for the promotion of responsible agronomy practices.
- A long term relationship will be formed with this Memorandum of Understanding with Starbucks.
- After this deal, Tata Coffee is poised to become Asia's biggest publicly traded coffee grower.

Objective of Starbucks behind the deal

- To tap huge emerging market of India.
- Help increase its profitability due to its declining market and over dependence on US market.
- To have access to the high quality Arabica coffee.
- Starbucks aiming to enter in Indian market through this MoU.
- Starbucks believe that India can be an important source of coffee in the domestic market, that's why they entered in India.
- The knowledge and understanding of the Indian market can be brought by Tata Global Beverages, because it has been in this play for a while.
- The Tata also have an arm in retail so there's a synergy there as well.

Locations: As of July 2014, Starbucks operates 63 outlets in 7 cities of India

State/Region	City	No. of Outlets	First outlet
Delhi	New Delhi	14	24 January 2013

Delhi NCR	Gurgaon	4	10 July 2013
Maharashtra	Mumbai	25	19 October 2012
	Pune	6	8 September 2013
Karnataka	Bangalore	10	22 November 2013
Tamil Nadu	Chennai	1	8 July 2014
Telangana	Hyderabad	3	1 October 2014

CONCLUSION:

Strategic alliances are an increasingly significant core element in many firms' strategies to generate and sustain their competitive advantages in dynamic market environments. Alliance is like a nuptial where there may be no formal contract and no buying and selling of equity. But, there are few strictly binding provisions. It is an unfastened evolving kind of relationship. Both partners bring to an alliance a trust that they will be stronger together than they would be separately .Both judge that each has distinctive skills and functional abilities and both have to work assiduously over time to make the union flourishing. By developing strategic alliances, firms share their excess and/or complementary capabilities and resources with others and create a new entity to acquire competitive advantages. When alliances are efficiently managed, the participating firms can attain numerous benefits that eventually bring profitability. If companies utilizes proper strategic alliance, they can expand their product and service offerings substantially, without the usual corresponding investment in staff, equipment, and facilities. Strategic alliance benefits in the way of cost reduction, technology sharing, product development, market access etc. E3Sociocultural and ethical parameters that have an effect on company's performance enhance the complexity of the environment in developing countries. The performance of strategic alliances would depend on the acknowledgement of these parameters. By taking advantage of the actual globalization context, strategic alliances may take part in a crucial responsibility in dipping the gap between economies in developed countries and those in developing countries which might be a subject of new research possibilities to prospective researchers in this particular field.

SUGGESTIONS

- The Tata Starbucks has to minimize the cost as per the requirements of Indian customers in order to penetrate in Indian Market.
- It has to switch on to new marketing strategy other than community website. It has to go for advertisement in Print and electronic media.

- The company has to focus on how to offer convenient coffee locations and quality services to consumers.

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HEALTH INSURANCE FOR POOR IS WEALTH CREATION

Dr. G. Vidyasagar Rao, Assistant Professor
Department of Business Management,
Osmania University Hyderabad.

ABSTRACT

In general, health insurance is not well developed in India. A major part of total health spending in the country takes the form of private, out-of-pocket spending which is clearly regressive in nature. There is a clear need for developing health insurance mechanism, especially for the low-income people who need it the most. A number of health insurance experiments are currently being tried for the low-income people in India. This paper gives a perspective on the topic.

INTRODUCTION

People have basic needs not only for economic goods, but also for social goods such as education and healthcare. Protection against illness or injury is a fundamental need as good health and wellness is essential to normal life. For the poor and the marginalised, good health is a matter of survival as; they are dependent on their bodies for day to day earnings. Good health when protected, not only adds benefit to an individual but also aids to the well being of the family, the community, the society and the country. Research has shown that health protection plays a distinctive role in poverty reduction everywhere in the world. As seen earlier, for the poor their bodies are often their only earning assets, and therefore good health is directly related to their income and survival. In sharp contrast to this there is often an inevitable denial of access to healthcare to them, which is one of the reasons why they face a vicious cycle of poverty, illiteracy and malnutrition.

The world over, it is seen that ill health disproportionately affects the poor. It sets off a chain of losses such as deprivation of work and consequent wages, lack of other means to earn, expenditure for medical treatment, the need to borrow money from moneylenders as they do not have access to normal banking channels. Health insurance, whether publicly or privately financed, covers a small segment of the Indian population. There is considerable support for broader health insurance coverage, including expanding the role of the private sector. This view is part of the Central Government's Health Strategy, which includes among its goals, recognition of the importance of further development of the private sector, specifically private health insurance

A National Sample Survey Organisation (NSSO) study found the following trends in the matter of healthcare for the poor in India:

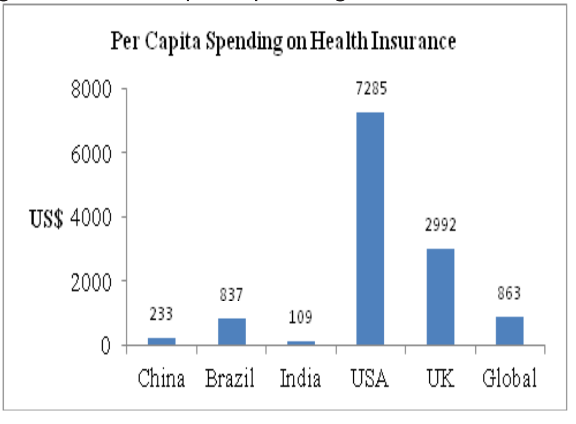
1) They spend a much higher percentage of their income on healthcare visa- vis the rich.
2) More than three quarters of the spending is on minor ailments, infections and communicable diseases.
3) The poor in their inability to finance treatment delay seeking treatment. Nearly 20 per cent of them do not avail treatment for financial reasons.
4) Borrowings and interest bearing loans are important financial sources for healthcare for the poorest; the proportion reduces as the income level rises.
5) A single instance of hospitalisation can wipe out all family assets.

The same round of NSSO survey shows that medical expenditures, particularly for inpatient treatment, had more than doubled in urban areas, bringing into focus the significance of medical inflation and the effect that this has on the poor in making treatment out of their reach. It also pointed out that the utilisation of public health facilities for hospitalisation had accordingly dipped from 60 per cent to 44 per cent. It was further noted that there was a decline in OP utilisation due to poor access and the lack of quality of services. The poor face numerous barriers to accessing healthcare facilities, which can be due to lack of information on the availability and location of services, physical barriers due to distances as also lack of transport facilities, inability to marshal financial resources, and insensitive and unreliable treatment. Of these the biggest barriers are the prohibitive costs in the private hospitals and the poor responsiveness to needs in the public health system.

A recent World Bank study further underlines the vulnerability and risks faced by the poor. It says that a hospitalised person in India spends more than half of his total expenditure on healthcare and more than 40 per cent of those hospitalised have to borrow money or sell assets to cover their expenses; and 25 per cent fall below the poverty line owing to this. It is clear, therefore, that there is a genuine need to reach health risk financing to the poor through the medium of health insurance. The health infrastructure of the country has been moving from a situation of nil or poor availability of healthcare facilities in the earlier days to a vast three tiered health system set up by the state consisting in the rural areas of sub centres for a population of 5000, primary health centres (PHCs) for a population of 30,000 and community health centres (CHCs) for a group of 1,00,000 population. In the urban areas the infrastructure consists of urban health posts, taluk hospitals, district hospitals and medical colleges having tertiary facilities. In the non-governmental sector there are fairly large numbers of for profit hospitals and nursing homes as also charitable and trust hospitals.

India's one billion citizens pay for over four-fifths of healthcare expenditures out-of-pocket. The lack of risk pooling for the majority of healthcare services can lead to both under-utilisation of necessary care and catastrophic financial consequences to a largely poor population. Since it is unlikely that the government's share of healthcare spending will rise dramatically in the near future, the pooling of risks through health insurance schemes may have a positive effect. A more developed health insurance market could both protect citizens and permit the public sector to focus its limited resources on the most vulnerable. Despite the large potential and the capabilities we have, the reach and availability of affordable healthcare for all remains a distant dream. The burden of disease is substantial. There is a palpable inability to control communicable diseases, which accounts even now for 50.3 per cent of the disease burden. Other health issues such as the widespread prevalence of diabetes and cardiac related problems are also surfacing which would need enhanced care to prevent them from becoming unbearable social issues. India spends about five per cent of its GDP for healthcare, which is below the average for low-to middle-income countries. The Centre has reported that public spending on health dropped precipitously during the 2000s to under one per cent of GDP by 2009, lower than all but five countries in the world. (The Government has set a goal to increase public financing to two per cent in the next few years, but even that is comparatively low). In addition, there is evidence that the limited amount the Government does spend is spent disproportionately on those with higher incomes.

Figure 1.1 Per Capita Spending on Health Insurance

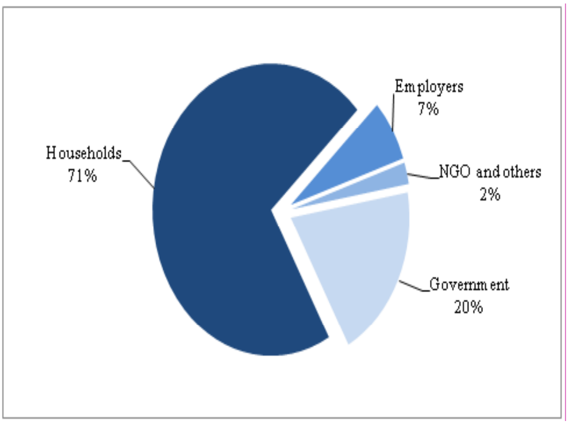


Why health insurance for the poor

The poor find themselves continually excluded not only owing to their penury but also due to lack of social empowerment, literacy, and feelings of powerlessness. There is also the factor of inaccessibility and non-availability of healthcare in many remote places, as providers do not obtain the necessary return on investment due to the lack of paying capacity of the poor. Thus there is a vicious cycle of perpetuation of poverty and ill-health due to their inability to obtain proper healthcare.

Insurance can be seen as a weapon of social and economic empowerment for the poor. In particular the insurance of health assumes prime importance. In a globalising environment, the cushion that could have been available by way of joint families, social groups or government support is not available as earlier. On the other hand risks and vulnerability is increasing. In this context it is the insurer's duty to organise, transfer and spread risks so that the society consisting of individuals, families and communities is genuinely protected. The role and capacity of insurers in this regard is bound to grow over time and overshadow the role played by the State and other non-insurance risk mitigating institutions. Protection of health pays a large demographic dividend to a country. Therefore governments, economists, welfare organisations and social workers are concerned about the transfer of health risks as quickly as possible. A proper health infrastructure backed by financing through health coverage, especially among the weaker sections, can not only transform the economy but also act as a catalyst to beneficial social engineering. Health insurance is an essential component of personal protection. Thus there can be many reasons to reply to the question 'why health insurance?'

Fig 1.2 Insurance contribution in India



These reasons include:

1. Health risk is not only pervasive but also a frequency risk among all the segments, classes, and age groups.
2. The costs of illness and diseases are increasing continuously along with the developmental index, as a result of the progress that is taking place, including environmental degradation as a result of urbanisation and industrialisation as also changes in lifestyle, occupation and food habits.
3. Medical costs are rising, and specialised treatments are becoming common, but costs of treatment are also reaching prohibitive levels.
4. Longevity and diminished mortality rates while improving social indices also bring along substantially more costs to recovery from illness, disease or accident, and also to maintain good health.
5. New disease patterns are emerging. In particular lifestyle diseases are increasing health risks considerably
6. Rising incomes and prosperity bring on expectations and lead to larger spends on health-care.

A survey conducted by NSSO found that out of the 12 types of households classified based on their monthly per capita expenditure (MPCE), the top class has an average per capita expenditure of about 12 times than that of the bottom class in general, but in the case of health-care, the expenditure incurred is 28 times more. While the imperative of covering all, especially the poor, is a great need, insurers have their own need to understand the complex nature of health protection and bring in models of coverage based on affordability and sustainability. Health insurance is not an easy subject, particularly when it relates to the poor.

The difficulties faced by the insurers include:

a) Health insurance deals with the complex subject of morbidity, which is determined by a variety of factors such as age, income, occupation, sex, genetic factors, environment and so on. The patterns, intensity and frequency of morbidity are not easily understood and statistics are not readily available.
b) Unlike other insurances, health insurance is claims intensive. This means that claims will be frequent and the underwriting results will be under strain if the risks are not assessed prudently.
c) Moral hazard and adverse selection are especially distinct possibilities in health coverage. Those with known risks try to enter, and persons with the highest risk

try to obtain advantageous terms of cover in their favour.

d) Medical costs have historically been showing inflationary tendencies. This coupled with increasing levels of utilisation puts to peril the rating structure and the beneficial features of the policy. The rising premium from adverse claims could begin a vicious cycle as those with less risk will begin to leave and those with certainty of claims will stay with a rising trend of claims making the health scheme even more unviable.

e) Health insurance is a highly emotional and service intensive business. Health coverage needs highly specialised service providers such as the PAs to ensure cashless service, emergency assistance, networking with hospitals, call centres, very fast and responsive turnaround times in claims settlement and complaints handling.

f) Finally, and most importantly, the success of the coverage depends on the proactive approach of the many stakeholders involved.

The Government needs to bring in necessary regulations regarding standardisation, coding, and rating of hospitals and other parameters of healthcare. The providers need to bring in standardisation in billing and transparency in costs and so on. The insurers need to study the markets for the rural and the poor and offer appropriate products and services. The TPAs and other service providers need to spread into the interiors to network hospitals and offer suitable services.

Risk profile of the poor

Are the poor, 'poor' risks? In health insurance they could be considered acceptable risks for the following reasons:

1. The poor, because they engage in physical labour, are more likely to fall prey to contagious diseases rather than to the more expensive lifestyle diseases. Even this happens because of their poor surroundings and inability to obtain clean water etc.

2. The poor are generally reluctant to utilise health services, as it often affects their daily earnings. They are also overawed by the formalities, paperwork and other difficulties in getting service. They also lack ready information on the facilities available for the poor.

3. They would be more amenable to cost controls and agree to utilisation of government facilities and other low cost treatments.

4. The poor would be generally reluctant to cover themselves on an individual basis and broadly such insurances would be successful on group or community

basis, which give the insurer a balanced cover by insuring all.

5. Finally, the poor constitute the vast base of the consumer pyramid and hence the numbers and magnitude of the segment make them a very attractive consuming class.

Health Insurance Schemes by the State and Central Governments

- Rashtiya Swasthiya Bima Yojana (RSBY)

RSBY has two fold objectives:

1. To provide financial protection against catastrophic health costs by reducing out of pocket costs(OOP).
2. To improve access to quality health care for below poverty line households of pocket expenditure for hospitalization and other vulnerable groups in the unorganized sector.

RSBY was launched in early 2008 and was initially designed to target only the Below Poverty Line (BPL) households, but has been expanded to cover other defined categories of unorganised workers, covering almost all the unorganised workers.

- Employment State Insurance Scheme (ESIS)

The scheme is applicable to non-seasonal factories employing 10 or more persons. The Scheme has been extended to shops, hotels, restaurants, cinemas including preview theatres, road-motor transport undertakings and newspaper establishments employing 20* or more persons.

- Central Government Health Scheme (CGHS)

The “Central Government Health Scheme” (CGHS) provides comprehensive health care facilities for the Central Govt. employees and pensioners and their dependents residing in CGHS covered cities.

- Aam Aadmi Bima Yojana (AABY)

Aam Admi bima yojana, a Social Security Scheme for rural landless household was launched on 2nd October, 2007. The head of the family or one earning member in the family of such a household is covered under the scheme. The premium of Rs.200/- per person per annum is shared equally by the Central Government and the State Government. The member to be covered should be aged between 18 and 59 years.

- Universal Health Insurance Scheme (UHIS)

The four public sector general insurance companies have been implementing Universal Health Insurance Scheme for improving the access of health care to poor families.

- AarogyaSree by the government of Telanagana

Aarogyasri Scheme is a Community Health Insurance Scheme being implemented in State of Telanagana. The scheme provides financial protection to families living below poverty line upto Rs. 2 lakhs in a year for the treatment of serious ailments requiring hospitalization and surgery.

All transactions are cashless for covered procedures. A BPL beneficiary can go to any hospital and come out without making any payment to the hospital for the procedures covered under the scheme.

Strategies for insuring the poor

Making the price affordable: Price, especially in the form of annual premium to be paid in one go, can make healthcare cover out of the reach of many, especially wage earners. In the case of the poor, it acts as a major barrier owing to their having little or no savings. Several steps to ease the burden could be considered:

a) Keep the sum insured low: For instance a model has been worked out in a ta-luk of Karnataka where the sum insure is as low as Rs.2,500 and the premium is only Rs.30 and the scheme is found to be viable.(anyway these premiums will be paid by the governments)

b) However for persons other than the very poor who are in remote places, a very low sum insured would be meaningless, particularly if private healthcare has to be utilised. Experience shows that a sum insured of around Rs. 30,000 would be suitable for majority of the treatments, except the major critical illnesses, if taken in a low cost hospital. The Universal Health Insurance Scheme is based on this insight and the premium concept of Re.1 per day is also an innovation in this regard.

c) Additionally, floating the sum insured over the family helps to cover more persons at low per capita premium.

d) Pegging the price in line with an everyday expense such bus fare, a daily food item etc. or a rate like Re.1 per day can help to move the perception of health care protection from being a luxury or unaffordable to one that is necessary and to be availed of.

e) Even under the existing rules on premium payment it would be possible but not practicable to collect Re.1 per day from the beneficiaries. The difficulties would lie in the following areas:

i) The prohibitive cost of collection ii) Reconciliation and accounting difficulties iii) The risk of break in policy if premium not paid in time iv) Automatic cancellation would put both parties into difficulty v) In case of seasonal workers such payment would not be possible.

f) These difficulties could be obviated, if the following steps could be considered : i) Such insurance should be community oriented schemes ii) SHGs and NGOs could be involved in financing/ guaranteeing the premium payment iii) These and similar organisations could additionally take responsibility for collection and payment to the insurer periodically. iv) The organisations financing, collecting and guaranteeing could charge reasonable fees for such services v) Since daily/ monthly savings target are already in place such mechanisms could also work for collecting the premium.

Crafting the right product Customer aspirations towards healthcare services can be very demanding. This would include demand for preventive, curative and maintenance coverage, and over time would be witnessing increased utilisation as well as expectations of higher order treatments. These could put the viability of the scheme in jeopardy over the longer term. If strict controls are not imposed over costs and utilisation rates, the premium will have to be raised steeply, making the cover out of reach for those it is intended for. Research among the poor indicates that the following benefits are desired: Hospitalisation service Outpatient (OP) treatment for chronic ailments Maternity care for infants and children Cover for specialist treatment 3. Guaranteeing the benefits of the product since health insurance is an essential product; it must be ensured that it delivers on the promise. This can be achieved with the active participation of many players as explained below:

a) The government public health system has to be upgraded for quality and responsiveness.

b) To enable them to do so they can charge user charges payable by the insurer. This will enable them to have the necessary cash flow for day to day administration, continuous improvement and up gradation.

c) Private and for profit hospitals need to have beds for the poor with low and transparent charges.

d) Where communities do not have affordable health facilities, the same should be started on the assurance future cash flow that could come by way of assured insurance payments.

e) Willing doctors should be appointed for community service with adequate salary.

f) TPAs will have to spread their services to the rural areas.

g) Insurers will have to shape the products to benefit the customer on real-time basis with assured coverage which will not be plagued with failure clauses.

h) All services and payments to be agreed with various providers, so that the insured can be given hassle free, cashless service.

4. Administering the scheme

a) Willing hospitals, nursing homes and the government infrastructure to be networked for service.

b) Suitable training scheme to be introduced to promote awareness of health insurance, its benefits and formalities. There could be programmes in the radio and TV to educate volunteers in far flung areas.

c) Giving a role to intermediaries. Insurance is not an easy subject to understand and utilise. Hence, since its inception there had to be intermediation in this area. Apart from the traditional agents, what is required is the active intermediation of Panchayats, cooperatives, NGOs, SHGs and other rural institutions. They are needed to initiate market and administer the scheme for the benefit of the community. Their roles, tasks and responsibilities need to be defined and agreed, and made easy to execute.

d) There will be the need to involve opinion leaders, the field staff of NGOS, medicosocial workers attached to health facilities, other multipurpose workers, anganwadi workers, village development committees, their volunteers and so on.

e) The processes and transactions involved should be carefully studied and mapped and made error free to ensure the success and continuity of the scheme.

f) Adapting the product and services to local needs: All schemes, however excellent, may be found unworkable in the light of the unique requirements of specific areas especially as this country is vast and diverse in many characteristics. Hence products and benefits may require continuous tailoring to be of use and to attract all intended beneficiaries.

g) Creating necessary feedback and learning loops: Continuous monitoring and periodic evaluation, especially feedback from the users of the service is essential to make such schemes a success. The failure of coordination, the ballooning of costs, the exclusion of the real needy etc. need to be studied so as to ensure continued betterment and relevance or the target group. The learning obtained.

CONCLUSION

Many should be applied wherever possible for continuous improvement insurance schemes for the poor are being experimented with across the country. Along with food security, health security has become a crying need, and the time has come to scale up the pilot schemes to much larger populations with the active support of the governmental and non-governmental infrastructure that is available. At the root of the success will lie the ability to utilise the meagre paying capacity of the poor to ramp up a responsive and quality scheme to remove the frequent health risk being face by the poor and help to prevent further deterioration of health. The challenges are many, but if all institutions can be convinced to converge on this important issue, there could be substantial breakthrough in health security for all.

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BALANCING OF WORK AND PERSONAL LIFE BY IT SECTOR EMPLOYEES

Dr. B. Madhavi Latha, Associate Professor
Sarojini Naidu Vanita Maha Vidyalaya,
Nampally, Hyderabad.

ABSTRACT
In the era of globalization, organizations are functioning 24*7, 365 days a year for their growth. Employees are focusing on work (career and ambition) rather than life (family, leisure time, pleasure etc) which is creating an imbalance in the family. Balancing both is not so simple. In the context of above the present study was undertaken to examine the work and life problems related to software employees in Hyderabad.

Keywords: Work and Life, WLB policy, Stress, Balance, Family

INTRODUCTION
Work life balance is a perfect integration between work and personal life (health, pleasure, leisure, family and spiritual development) both not interfering with each other. But in the current business world with the advent of globalization, the demands of work place are ever increasing and highly dynamic. Employees spend more time at work place rather than at home. Although businesses are witnessing new heights, the work life balance of employees is no longer in control. The employees are facing these problems due to intense competition, workforce diversity, cross-cultural interactions, employee retention, innovation, productivity, changing consumer preferences and dynamic government policies etc. Each and every individual is striving hard to balance their work and life but somewhere or the other, the gap is unfilled creating enormous pressure and stress.

The problem seems to be simple but difficult to handle and solve. Work life conflict occurs when the responsibilities and obligations of work and family roles become incompatible. It can force an individual to neglect the either of the above. The employee who has to play other role in their personal life like a daughter/son or husband/wife etc is not able to manage their roles. The disturbed work life balance is leading to an increase in suicides, divorces and disturbed family relations. Once an individual is able to balance their work and life then the organization can easily fetch the “Success”.

REVIEW OF LITERATURE

Amita Singh (2010) in her research on the perception of work life balance policies among software professionals emphasized that the management of the organizations create awareness of the WLB policies. It has to be available in the handbook/ website of the organization. Latha Sujata (2011) focused on work life balance issues of women at call centers. The three major issues which have an impact on work life are health related issues, work environment problems and work life balance where family life and work life influence each other. Sheena Narendranath (2006) was focusing on employer's strategies towards work life balance. An employer can use work life balance strategy in four different scenarios like focusing on work life balance as a recruitment incentive, employee retention incentive when morale is low and for developing staff cooperation and commitment. Sindhu and Suman (2008) emphasizing on the issues pertaining to work life balance from employer-employee perspective with an emphasis on women and their work and life based issues. The effective practices of organizations includes recognition to employees whose work and life are balanced and the organizations have to focus on some solutions to meet specific needs of its employees like fairness and consistency, valuing employees, monitoring and evaluation. Jyothi and others (2012) study was undertaken to determine the Indian Career Women work-life balance. The study focused on the relationship between role efficacy and emotional intelligence as related to work-life balance of career women. The results show that there is a significant impact of factors affecting role efficacy and emotional intelligence. Konda Suguna (2013) identified different personal motives and its priorities with respect to work life balance among teaching professional belonging to different demographic profiles. It is evident from the study that the teaching staff of government and non government is not much exposed to work life balance practices. Hence there is a need for designing such policies and programmes to enable the teaching community to balance their work and personal life needs. According to Chandra kanta gupta (2012) and Shiney Chib (2011), there are two key terms for an effective work life balance. They are achievement and employment. Divya (2010) and others studied the work life balance of IT women belonging to the age group of 20-35. The study focused on the hazards women face in family life and at work. The main factors causing work life imbalance are psychological, cognitive and organizational climate in IT sector. Anitha (2007) in her paper emphasized the problems related to work life imbalance and suggested the employers' of BPO's to reframe their WLB policies so that the employees feel happier and more loyal which causes the increased productivity. Satinder Singh's (2014) findings on employees of ONGC were, there is a need to develop work life balance policies which are customized to individual needs and effective support system to reduce work life conflicts.

RESEARCH METHODOLOGY

Research methodology forms a vital part of any study. The following sections present the methodology of the study. Based on the literature available the following objectives are framed for the study.

OBJECTIVES OF THE STUDY

1. To study the concept of work life balance and find the impact of work life balance on employee health and performance.
2. To find out the various problems related to work life imbalance.
3. To assess the attitude towards the implementation of WLB policies in organizations.
4. Suggestions for achieving work life balance

METHODOLOGY

Data required for the researcher is collected from the select IT company (Company name kept confidential) of Hyderabad. The organization is selected using convenience sampling. The simple random sampling technique used and data is collected from 100 respondents. The study is exploratory in nature and relied on the structured questionnaire. The questionnaire is divided into two parts. The first part of the questionnaire consists of demographic profile of the respondents and the second part pertaining to Work Life Balance related questions. The questions are broadly divided into dichotomous, rating and open ended. The sources of data include primary and secondary data. The primary data will be collected in the form of a structured questionnaire from employees. The secondary data is obtained from various management Journals, magazines, internet websites like Ebsco, Emerald. Simple percentages are used for the analysis purpose.

Table. 1 Demographic Profile of the Customer:

Demographics	Options	Frequency and (%)
1. Gender	Male	70
	Female	30

2. Age	25-30 Yrs	50
	31-35	20
	36-40	14
	41-45	8
	Above 45	8
3. Experience	Below 2 Yrs	60
	3-5	20
	6-10	16
	11-15	4
	Above 15 Yrs	-
4. Designation	Manager	-
	Asst. Manager	10
	Executives	6
	Employees	60
	Trainees	24
Total	100	

Source: Questionnaire

Table.1 reveals that the majority of the respondents (70%) are male in gender where as 30% are female. 50% of the employees (majority) are aged between 25-30 years. The experience of majority employees (60%) is below 2 years.

Table. 2 Work Place Practices of the employee:

Sl. No	Attributes	Options	Percentage (%)
1.	Number of working days in a week	5 days	70
		6 days	18
		7 days	12
2.	Number of working hours in a Day	7-8 hours	70
		9-10 hours	16
		11-12 hours	14
		More than 12 hours	0
3.	Number of hours spent on travelling	30 minutes and less	50
		30min – 60 min	34
		1 hour- 2 hours	16
4.	About shift duties	Day shift	70
		Night shift	30

5.	Marital Status of the employee	Married	64
		Unmarried	36
6.	Childcare of the employees	Spouse	60
		In-Laws	20
		Parents	12
		Servants	6
		Care centers	2
7.	Perceptions towards amount of time spent at work	Very unhappy	4
		Unhappy	6
		Indifferent	20
		Happy	56
		Very happy	14

Source: Questionnaire

Table.2 describes the workplace practices of the employee. Majority of the employees (70%) are working 5 days in a week and their working hours per day are 7-8 hours. Majority of the employees (50%) travelling time to office is 30 minutes or less. But 34% of the employees are spending more than 30 minutes on travelling. Maximum employees (70%) are working in day shifts. Majority of the employees are married and they are happy towards the time spent at work.

Table. 3 Perceptions of the employee towards time spent with family

Attributes	Never (%)	Rarely (%)	Sometimes (%)	Always (%)
Time spent with family	40	10	22	20
Feeling tired or depressed towards work	30	34	16	20

Source: Questionnaire

Table.3 reveals that majority of employees are hardly spending time with their families and they are always feeling tired or depressed towards the work.

Table. 4 Stress Related Issues

S.no	Options	(%)
1	Hypertension	24
2	Obesity	44
3	Diabetes	10

4	Frequent head aches	22

Source: Questionnaire

Table.4 emphasize that employees are having health issues like obesity (44%), hypertension (24%), head aches (22%) and diabetes(10%).

Table. 5 Managing Stress

Attributes	Yoga	Meditation	Entertainment	Dance	Music
Percentage (%)	12	14	40	8	26

Source: Questionnaire

Majority of the employees are managing their stress through entertainment (40%), music (26%) whereas few people are opting meditation (14%), yoga (12%) and dance (8%).

Table. 6 Work Life balance policies in the organization

Attributes	Options	Percentage (%)
Health check up Programmes in the organization	Yes	64
	No	36
Organization policy towards work life balance	Yes	56
	No	24
	Not aware	20
Perceptions of employees towards WBP	Agree	74
	Neither agree nor disagree	18
	Disagree	8
WLB policy and its customization towards Individual employee	Strongly agree	30
	Agree	50
	Neither agree nor disagree	10
	Disagree	6
	Strongly disagree	4

Source: Questionnaire

Table.6 focuses on work life balance programmes organized by the firm. Majority of the employees agreed to attend the programs organized by the organization and work life balance policies adopted and customized towards individual employees.

CONCLUSION

The concept of work life balance is tackling problems of work and life. It is a process in which employees seek to change things in accordance with their own priorities. Work can be managed in such a way to avoid jeopardinizing other factors. The above study reveals that majority of the software employees are spending less time with the families which increases the stress. Obesity is the major problem among them but they are not opting for any exercise/gym/yoga. Using entertainment for managing stress also increases the obesity. Working more than 8 hours a day and spending more than 30 minutes for travelling and working in nightshifts also causes health problems to employees. The organization has to spread its WLB policy among the employees and focus more on customization towards individuals. Work and life are both two sides of a coin. Every individual has to balance both work and life in order to achieve joy of job and life.

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SOCIAL MEDIA IMPACT ON EMPLOYEE RECRUITMENT

Dr. E. Shanker, Assistant Professor
MVS Govt., Degree College,
Mahabubnagar (TS).

ABSTRACT

The growth in the use of social media sites is phenomenal. Companies and recruiters, therefore, need to be where candidates are in order to engage them in the recruitment process. This involves engaging with talent across a wide range of social networking platforms. To do so effectively, they need to work together. Social media can be fast, efficient and cost effective when used as a recruitment tool. It does, however, have its limitations. We discuss in detail, issues concerning. Social media is increasingly becoming the space where professional life happens. The recent decision by Facebook to update user profile pages to offer a 'LinkedIn style' professional view, suggests that social media, on the whole, is becoming a medium for work as well as play. The fact that Social Networking Sites entered the business landscape, and in particular the recruitment landscape leads to a demand for knowledge about recruitment trends regarding Social Networking Sites. With this study the phenomena of Social Networking Sites in recruitment was explored. Taking everything into account, one cannot deny that social media has a major effect on a recruitment, and if used the right way can benefit both employers and employees alike.

Keywords: LinkedIn, Network, Social life, Profiles

INTRODUCTION

The rise in the use of social media websites in recruitment is fascinating. Since 2010, Twitter has grown in use by 9%, Facebook by 11% and Linkedin by 15%. It has also been found that 7 out of 10 employers have successfully hired a candidate through social media showing a great partnership between recruitment and social media. With such promising results companies yet to explore the benefits of using social media are majorly missing out. HR magazine reported in October 2012 that 'Integrating social networking sites into the traditional recruitment process is key not only to reaching potential candidates, but to building relationships and communities that will enhance the candidate experience and provide a window into your company's culture.' This means that not only does the company benefit through the initial recruitment process, but jobseekers can get an insight into how a company works and the company an idea of a person, hopefully reducing the amount of unsuitable candidates. Similarly, Linkedin is a great way of networking, and if we go by the slaying of 'it's who you know, not what you know' then the social media base is the perfect way of networking. The best part being it is all completely free!

Social Networking Sites and Tools

FACEBOOK: A social networking service where users create personal profiles, add other users as friends and exchange messages, including automatic notifications when they update their own profile. Additionally, users may join common-interest user groups, organized by common characteristics (e.g. workplace). Users can instant message each other through the website.

BLOG: A discussion or informational site published on the internet that consists of entries ('posts') typically displayed in reverse chronological order, i.e. the most recent post appears first. Until 2009 blogs were usually the work of a single individual, occasionally of a small group, and often covered a single subject. More recently „multi-author blogs" have developed, with posts written by large numbers.

LINKEDIN: A business-related social networking site mainly used for professional networking. Users maintain a list of contact details of people with whom they have some level of relationship, called connections. This list of connections can then be used to build up a contact network, follow different companies and find jobs, people and business opportunities. MYSPACE: An online community of users" personal profiles. These typically include photographs, information about personal interests and blogs. Users send one another messages and socialize within the MySpace community. PODCAST: A type of digital media consisting of a series of audio, video, PDF, or electronic files subscribed to and downloaded or streamed online to a computer or mobile device.

Santhosh Kumar A.V -Social networking websites are effective job search tools, job fairs are finding stiff competition in the social media, evidently been visible that a lot of companies have their own formal pages on the social websites, where job seekers can learn about the organization business, culture, ethics etc. Hence Recruiters have a large pool from this source from which they can search for prospective employees. Indispensable part of the hiring process, Cost effective, does not require setting up an office and forms an effective tool for Recruiters

Ms. Poulami Banerjee - Recruiters are mainly using the SNS for searching talents in the middle management level positions, followed by top level mgmt positions and then for lower level. The reason being, for lower level positions there is plenty of talent available in the market while for the top level positions not many individuals rely on these sites so experience has revealed the most lucrative segment is the middle level managers .Linked In stands top in the list of the most sought after recruitment site through social networking with52 % firms using it to shortlist candidates, followed by Facebook (25 %) while 23 % combination of both. Most of the professionals spend approximately21- 30 hours every week on these sites. Almost 83 % of the firms feel that social networking sites will revolutionize the trend of recruitment and will emerge as a new age tool for recruitment.

They introduce substantial and pervasive changes to communication between organizations, communities, and individuals. Social networking site is the phrase used to describe any Web site that enables users to create public profiles within that Web site and form relationships with other users of the same Web site who access their profile. Social networking sites can be used to describe community-based Web sites, online discussions forums, chat rooms and other social spaces online, people looking to connect with other business-associated contacts usually move to sites like LinkedIn, but one need to understand that social media is beyond Twitter, Face book, LinkedIn and Blogs. Social networking sites such as Face book, Twitter and LinkedIn are some of the most powerful tools available to recruiters today. Face book has more than 500 million members and regularly surpasses Google in site visits per day. LinkedIn has increased its number of registered users from roughly 40 million in 2009 to more than 100 million in 2011. As usage continues, more businesses are recognizing the fact that high-quality candidates can be reached faster and at lower cost using social networks than traditional recruiting methods

OBJECTIVES

- To study the awareness about recruitment through social media
- To understand the level of satisfaction from job providers
- To identify the effectiveness of social networking sites in recruitment
- To understand the problems faced by recruiters while using social media.

Hypothesis

H01: There is no significant relation between gender of the respondent and their opinion on reaching number of applicants through social media.
H02: There is no association between age of the respondent and their opinion on media sites is more effective for recruitment.
H03: There is no association between experiences of the employee and their opinion on recruitment sites are helping in choose right employees

Sample & Sample Size

Employees, HR Managers and Trainee Employees who are working in IT/ ITES companies in Hyderabad. A sample of 100 employee's opinion was collected with the help of questionnaire.
H01: There is no significant relation between gender of the respondent and their opinion on reaching number of applicants through social media.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.515a	4	.972
Likelihood Ratio	.516	4	.972
Linear-by-Linear Association	.278	1	.598
N of Valid Cases	100		

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 4.90.

The above chi square test indicating the significant value is greater than 0.05 (0.972) , hence the Hypotheses Accepted. i.e the male and female counselors are reaching different number of applicants through social media, this will impact on their communication and convincing skills.
H02: There is no association between age of the respondent and their opinion on media sites is more effective for recruitment.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.649a	8	.003
Likelihood Ratio	2.707	8	.006
Linear-by-Linear Association	.637	1	.425
N of Valid Cases	100		

a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is 2.28.

The above chi square test indicating the significant value less than 0.05 (0.01), hence the Hypotheses Rejected. i.e different aged people have difference of opinion regarding social media is an effective tool for recruitment.

H03: There is no association between experiences of the employee and their opinion on recruitment sites are helping in choose right employees.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.664a	8	.015
Likelihood Ratio	4.128	8	.154
Linear-by-Linear Association	1.869	1	.172
N of Valid Cases	100		

a. 9 cells (60.0%) have expected count less than 5. The minimum expected count is 1.08.

The above chi square test indicating the significant value is less than 0.05 (0.015), hence the Hypotheses Rejected. i.e as per employee experience opinion wise the recruitment sites are effectively working on choosing right employees for their companies.

Study Findings:

- The respondents are strongly agreed that , they are able to reach maximum number of respondents a day through social media sites to advertise about job.

- Nowadays social media sites are playing a vital role in identifying and recruiting employee more effectively.
- The Business world is highly depending on digital operation rather than manual operations and digitalization take major share in it.
- The social media sites are producing and able to get more efficient employees through online sites.
- The present situation indicating that, print media may not occupy again and dominate on social sites.
- Professional sites like Linked in and face book and Twitter will are more efficient way to choose right employees to the organizations.
- The online sites are easy to access every body
- The recruitment sites are cost less to both the Employer and employee.
- The present generation is very much intended to use technological things rather than traditional things.
- It is a very easy process to share your competencies to outside world and employers through resume up load.
- Cost less interview method and less time consuming process.
- The companies are able to choose more intellectual people in a short period by filtering potential candidates.
- Most of the sites are more reliable and trust worthy for candidates and as well as employers.

CONCLUSION:

It has been found that 47.27 % of students are on face book and 20 % on LinkedIn, 14.55 % are subscribed Naukri.com, which helps the students to update with the availability of jobs provided by companies and consultancies. most of the students are satisfied, some are very satisfied by applying the jobs on social sites, they felt its very useful to know about the details of jobs, and companies, also shared that those sites quick in responding and so easy to search the jobs. Some are got the job on LinkedIn but due to some personal issues they didn't join. 83.3 % of management and consultancies are given their opinion that they can successfully and effectively hire the candidates through social sites and 76.9 % are feeling that recruiting through social sites like LinkedIn will be more effective over the next few years.

Most of the companies are still using traditional way of recruiting the candidates, so companies should adopt the modern method of Social networking sites for recruitment which is cheaper alternative method of hiring instead of giving advertisements in newspapers, news channels and job portals, or consultancies which leads to more expenses. If companies start to adopt this method, management can study candidates' psychology- lot of information that is available on these sites can be used for understanding the psychology of the potential candidates and thus helps the company in understanding the employee-job-fit. This will not only give a boost to successful recruitment but also help in enhancing employee retention initiatives. By using social sites in recruitment process, employer branding will be increasing in the business world today. These sites can be effectively used by organizations to establish themselves as good employer brands in order to attract the best talents of the industry thus companies has to bring awareness in job-seekers mind. They need to highlight the benefits and ways in which recruiters can tap potential talents.

SUGGESTIONS:

This study concludes that Most of the management, job consultancies and students from graduates as well as post graduates are aware about social recruitment through various social networking sites like face book, twitter, and LinkedIn. Some of the students are applied the job on these sites, they are highly satisfied of searching the jobs on social platforms and they have also got the job but due to some personal problems they didn't join the company. Job consultancies and HR managers are revealed their opinion that recruiting through social sites will be become more effective in the HR functions and it will below cost of recruitment for the company compared to other traditional methods of recruitment and also they have felt that social site like LinkedIn will become more effective tool to search the candidates as it is the professional site and professional interactions will be carried out. Management and consultancies are ready to implement this modern method but they feel, need to learn.

Job seekers should start to searching the jobs on such social networking sites specially LinkedIn as it professional site instead of using those sites for chatting purpose, depending on campus recruitment, roaming for the jobs from place to pace etc They should make use those. Companies should have the records and predict about the social networking sites by popularity and usage wise. Using social networking sites for recruitment purposes requires site maintenance, in order to ensure that queries are answered relatively, promptly and sites are updated. By using social sites in recruitment process, employer branding will be increasing in the business world today. These sites can be effectively used by organizations to establish themselves as good employer brands in order to attract the best talents of the industry thus companies has to bring awareness in job-seekers mind. They need to highlight the benefits and ways in which recruiters can tap potential talents.

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ASSET LIABILITY MANAGEMENT FOR INSURANCE COMPANIES

Ch. Ram Mohan Rao, Assistant Professor (c)
OUPG College,
Siddipet (TS).

INTRODUCTION:

Insurance, as a business, carries inherent risks that need to be managed as companies seek to maximize shareholder value. Internationally, Enterprise Risk Management (ERM) has taken on increased importance, especially in aftermath of the financial crisis of 2008. Effective ERM begins with a strong risk governance structure. Risk governance for any company has to start at the senior most level, specifically the Board. The governance structure should lay out the details and responsibilities of the executive and other committees that would assist the Board in its duties. One of the key objectives of ERM is to promote a culture of risk awareness, and any risk governance structure has to be oriented towards fulfilling this requirement. A key element in any ERM framework is asset liability management (ALM).

Asset-liability management involves minimizing the risk due to mismatches in assets and liabilities while meeting stakeholders' expectation of returns. Mismatches could arise either due to different levels of sensitivity to macroeconomic factors such as interest rates or due to asynchronous cash inflow and outflow. Insurance as a business is subject to long-term liabilities that may often behave differently when compared to the assets backing them. Asset-liability management is critical in ensuring that risks due to mismatches between assets and liabilities are kept within acceptable levels.

It is relevant and essential for the sound management of an insurer's finances and its ability to meet future cash flow commitments and capital requirements. Given its importance, ALM is rightly a subject of regulatory focus with mandated annual reports of insurers' ALM frameworks, positions, and stress analysis. By requiring insurers' Boards to approve and regularly review their companies' ALM policies, the regulator has emphasized the importance of ALM. Additional requirements relating to submission of data, monitoring and control processes, stress scenarios for assessment of exposure to different scenarios, ensure that a consistent view of the industry's position is available and corrective action can be taken, if necessary.

Objectives of ALM

The assets of the company shall be managed in such a way as to meet the liabilities as and when they fall due, both in terms of quantity and timing of payment. The following are the main objectives of any ALM framework:

- Analyzing policyholders' reasonable Expectations
- Analyze and meet the solvency requirements of the company
- Review investment objectives and develop appropriate investment strategy
- Measure, monitor, mitigate and transfer risks associated with assets and liabilities of the company
- Adherence to various regulatory and legislative provisions relating to ALM.

The development of an appropriate investment strategy using ALM techniques involves the following:

- Split the liabilities into various categories (e.g. guaranteed in money terms, guaranteed with reference to an index etc.) depending on its nature, term, and currency, if applicable.
- Investment-linked liabilities should be matched exactly as far as possible. i.e. by investing in the asset category that exactly matches the benefit formula
- Free assets, if any, would be invested in equities and property
- The above strategy should be modified from time to time to provide sufficient cash in-flow for the company to manage its day-to-day activities. After formulating a reasonable investment strategy as above, the company should explore the possibility of deviating from this strategy to achieve a higher return than expected.
- The liabilities guaranteed with reference to an index shall be matched by investing in the assets which constitute the index in the same proportion
- The liabilities guaranteed in money terms can be matched by selecting suitable Government or Corporate Bonds
- The assets backing the discretionary liabilities can be invested in equities and properties. This would mean most of the assets will be invested in equities because of the difficulties associated with investing in properties. The shares should be selected from major "Blue Chip" companies with low to medium risks.

Hence the ALM framework for any organization involves monitoring and managing various risks such as Market Risk, Credit Risk, Liquidity Risk, Operational Risk, Currency Risk etc.

The key risks faced by insurers today are:
Market risk: Market risk arises due to the mismatch in nature and/or terms of assets with those of the liabilities of a particular portfolio. Abnormal fluctuations in the security prices either due to volatile market conditions and/or interest rate movements also impacts ALM. The market includes reinvestment risk of the coupon /redemption proceeds. The reinvestment risk is prominent in Annuity portfolios where liability duration is much longer and matching assets of that duration may not be available. In order to manage the Market risk, it is advisable to align the investment of assets with that of respective liabilities. This means, investing assets backing liabilities of fixed/guaranteed nature in fixed income securities with the similar term. The assets backing participating portfolios (where liabilities are more flexible and bonuses are discretionary in nature) can be invested in asset categories such as equities; properties etc. that can generate higher expected returns.

Interest Rate Risk: Interest rate risk is the risk borne by the interest-bearing securities, such as loan or bond, due to the variability of interest rates. In general, a rise in the interest rate results into downfall in the prices of the fixed interest securities. This risk is commonly measured by the bond's duration.

Credit Risk: For an insurance company, credit risk may arise due to

a. Default on investments in debt securities
b. Default by reinsurance companies in settling the claims reinsured. The company should invest only in those debt securities which enjoy good credit rating (say, AA and above) as assessed by independent credit rating agencies. While selecting the reinsurance companies to transfer part of their risk, the insurance company should take into consideration factors such as credit rating, reputation, competitiveness, service standards and expertise of reinsurance companies.

Liquidity Risk: Liquidity risk is mainly related to cash-flow mismatch and not having enough liquid assets to meet the liabilities as and when they arise. This may happen even when the value of assets is higher than the liabilities (hence no market risk), but assets may not be readily available to effect the payments when they fall due. In order to counter this risk, the company should ensure that certain percentage of the fund is invested in the short term and liquid instruments such as Bank FDs, Treasury Bills etc.

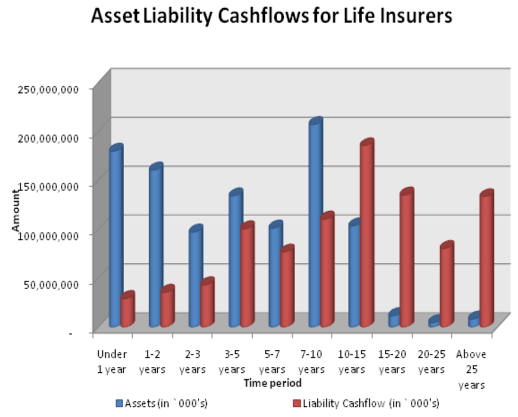
Currency Risk: If the liabilities are denominated in a particular currency, the assets should be invested in the same currency that the liabilities are denominated in, so as to reduce any currency mismatch. An alternative way of matching is to invest in overseas assets and then hedge the currency risk by using appropriate currency options.

Asset Liability Mismatch Risk: Asset- liability mismatches are important to insurance companies to manage their long term liabilities that must be backed by suitable assets. Choosing assets that are appropriate in matching their long term financial obligations is, therefore, an important part of the investment strategy. Also, in our country, government bonds are available for a maximum period of 30 years only, and in small quantities, at that. Hence it is difficult to find suitable assets to match the long term liabilities under Annuity and Whole life policies. As there is a huge reinvestment risk involved in the management of these liabilities, it is better to create an Asset-Liability mismatch reserve.

Operational and Other Risks

Operational risks arise mainly from the following: Risk resulting from the process, people, and systems, or from external events that can affect an organization financially or non financially.

a. Non-adherence to processes
b. Failure or inappropriate IT system
c. Breach of internal/regulatory norms
d. Internal fraud
e. Problems leading to operational inefficiencies such as claims mismanagement, improper underwriting practices etc.
f. Any other errors due to omission/commission
g. Non-compliance with respective regulation/legislation. Operational risk can be mitigated through implementation of proper and efficient systems/processes and by adopting internal controls and checks.



ALM – Cash-flow Matching: Liability cash flows are projected on the best estimate basis. Each year, the net outgo is estimated based on the projected cash-flows. While calculating the net outgo (which is cash outflow less cash inflow), expected values of all benefits (i.e. death benefit, maturity benefit and any survival benefit etc.) are considered.

Duration Matching: Interest rate sensitivity in debt securities is not fully captured by cash flow matching. Duration and Convexity are the two most important measures of interest rate risk for fixed interest securities and interest bearing liabilities. Duration means – 'weighted average time to recover principal and interest'. Duration measures the sensitivity of the value of an asset to change in interest rate. Parallel shifts in the interest rate curves can be captured by duration matching. Insurance companies generally adopt Macaulay Duration or Modified Duration methods to calculate the Duration. Once the Duration is calculated for liabilities and assets, an analysis is carried out for the entire sets of assets and liabilities. The sensitivity of interest rate movement on the duration is analyzed and any Duration Gap (i.e. Liability Duration less Asset Duration) is calculated. The suitable strategy should be evolved to nullify the Duration Gap so that there is minimal effect on the earnings. Duration does not give an entirely accurate picture of price change due to change in yields. This is due to the fact that duration does not take into account the convexity of the price to yield relationship. For smaller changes in yield, duration does a good job in estimating the actual price; however, when yields move further away, duration becomes less reliable. We can then go on to say that the more convex the price to yield relationship, the less accurate the price approximation that is derived from the tangent line, or duration. While Duration is a linear measure of how the price of the bond changes in response to interest rate changes, Convexity of a bond measures how the Duration of the bond changes with respect to changes in interest rates. In reality, the price will not be a linear function of interest rates but it will be a curve.

Hence, for these reasons, bonds that have the same Duration may have different Convexity. It depends on at what point in the price-yield curve they are located. Hence, lesser the Convexity, higher is the credibility of the issuer, and lesser the price volatility. The vice-versa also holds good. Hence, the entire exercise calls for the rebalancing of the portfolio on a continuous basis. This exercise should also take care of any correlation between different asset classes.

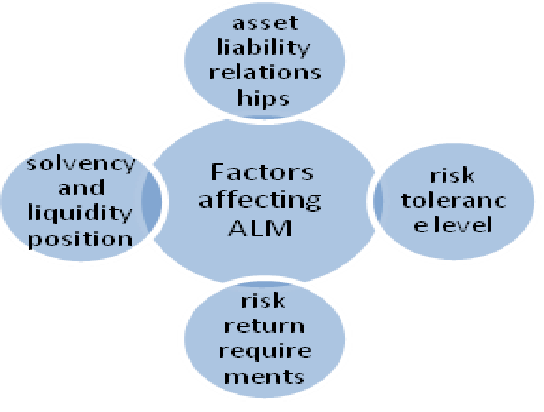
Of the risks mentioned above, market, credit and liquidity risks are key risks from an asset-liability management (ALM) perspective. The importance of a good governance structure, strong ERM practice and some of the key issues facing insurers in ALM are discussed below. An inability to match assets and liabilities can have severe consequences for an organization. A very plausible scenario would be that of losses which would arise in case liabilities are less interest-rate sensitive than assets and interest rates were to rise, and vice versa. Under high-stress scenarios, it is possible that an organization might fail to meet regulatory solvency requirements. Losses can also arise due to a possible liquidation of assets below market value if liquid assets held by a company are insufficient to cover immediate liabilities. While a number of insurance products.

Credit risk: Given the risk to policyholders, the regulator has defined tight exposure limits for insurers to single entities, industrial sectors and promoter groups as a safeguard. Regulatory guidelines supplemented by internal guidelines based on internal and external research should be used to enhance these limits by lines of business. Insurers should also avoid overexposure in the form of concentrated bank deposits or securities. Typically, insurers do not take significant levels of credit risk and especially so for longer-duration assets. Monetary transactions that are executed regularly also carry risk in the form of an inability to settle by the counter-party. Measures such as broker empanelment, modes of settlement, dealing with reliable counterparties, use of exchange guaranteed trades etc. should be used to control settlement risk. The Indian Insurance industry has had the benefit of opening up and developing in the presence of sound national and international reinsurers. This has permitted the industry to grow without insurers having to pay unnecessary levels of attention to the credit risk posed by reinsurers.

Liquidity risk: The trade-off in managing liquidity risk is that illiquid securities are likely to offer higher returns. Given the current environment where a large portion of investments of major players is likely to be liquid equity stocks or government securities, liquidity risk is of a lower level compared to some of the other risks discussed earlier. However, it is still necessary for insurers to ensure that both short term cash flows for all lines of business and longe term cash flow from assets for particular lines of business such as annuities are well matched to the cash flows expected on account of liabilities. The investment specifications that were discussed in detail earlier would normally specify the minimum threshold level for liquid securities to be maintained for each line of business.

Potential losses in case of inadequate ALM

An inability to match assets and liabilities can have severe consequences for an organization. A very plausible scenario would be that of losses which would arise in case liabilities are less interest-rate sensitive than assets and interest rates were to rise, and vice versa. Under high-stress scenarios, it is possible that an organization might fail to meet regulatory solvency requirements. Losses can also arise due to a possible liquidation of assets below market value if liquid assets held by a company are insufficient to cover immediate liabilities. While a number of insurance products may permit these losses to be passed on to policy holders and therefore financial losses would be avoided for a company, it would have reputational ramifications. The reputational loss may also arise due to delayed payments or adverse publicity of a company's adverse financial condition. Finally, and significantly, poor ALM is bound to attract the attention of regulators who may choose to impose restrictions on an insurer. This may further hamper the ability of the insurer to pursue their investment strategy and potentially business strategy. With an emerging worldwide trend of solvency capital being increasingly linked to risk capital from a formula-based approach, poor ALM is likely to cause solvency capital requirements to increase significantly, with perhaps a necessity for injection of additional funds.



Processes within ALM

Given the key role played by ALM for an insurance business, it is essential for organizations to have strong processes in place. As mentioned earlier, ALM is an essential component of an ERM framework. A robust ERM framework would ensure that senior management such as executive directors are present on Committees that approve product structures, build investment strategies and determine and monitor ALM processes, Identification, measurement, monitoring, and control of risk are key elements of any risk framework and the same applies to ALM.

Risk identification is a critical element in the ALM process. A very important test for determining if an organization is subject to market risk due to mismatches between assets and liabilities is to stress the balance sheet and evaluate the resulting capital requirements if any. During testing, requirements of each line of business should be taken into consideration and any offsetting effects should be treated with care. Ideally, companies should give due consideration to potential ALM risks during the product development process. Product features such as guarantees, either of return or of capital, should be subject to stochastic testing to ensure that sharp changes in prices of underlying securities do not place unreasonable strains on a company's financial condition. Insurers also need to exercise caution while designing dynamic asset strategies that have the potential to not only cause ALM issues but policyholder dissonance in the case of very high complexity. As empirical evidence has shown in India and the rest of the world, interest rates can vary over wide ranges over time-frames that are by no means unreasonably long for insurance products. This necessitates addressing ALM questions at the time of product design itself. A key control element for ALM risk is prudent investment practices. A strong ALM culture would mandate investment specifications that lay out guidelines, along with limits, for the investment of assets in terms of asset classes, duration, risk, and liquidity. Asset classes such as equity, property, fixed income securities including government securities, corporate bonds, securitized loans and fixed deposits, etc. have widely varying characteristics that offer a broad range of options towards achieving desired returns without taking undue risk. A key driver of the guidelines and limits would be the liabilities that are backed by these assets. Due consideration should be given to the nature of the liabilities. Liabilities that are fixed merit differing treatments from those that vary. Drivers of variation such as interest rate, inflation, etc. need to be factored in to decide appropriate specifications. The investment specifications need to be designed appropriately to achieve risk versus return objectives and policyholders' reasonable expectations while maintaining the risk within a company's tolerance level.

Endowment products that have defined terms, guaranteed minimum benefits etc. offer further upside potential to policyholders. From a company's point of view, managing risks arising from guarantees and optimizing policyholder returns, subject to regulatory constraints, are the key objectives in this case.

For linked products with the return of capital guarantees, investment risk arises in the case of excessive allocation in high-risk assets such as equity or poorly matched debt investments. Linked products without guarantees permit the maximum flexibility in terms of managing assets. Policyholders have almost complete control of the funds and consequently the class of assets they would like to invest in with switching options at frequent intervals. The strategy for these products is to maximize the value of underlying assets, keeping in mind the objectives of the respective funds.

Another key element of controlling ALM risk is hedging through the use of financial derivatives such as index, equity and interest rate futures and options. The late opening of Indian financial markets to derivatives has meant that the instruments currently available to companies are fairly limited. However, if Indian markets do evolve in line with other markets across the world, we should expect to see an increased and widespread use of financial derivatives. Regulatory approval, appropriate structuring, and marketability of the derivatives that would be a consequence of an evolved market, would offer insurers a far greater spectrum of risk management tools.

IRDA Regulations

IRDA has issued a circular making it mandatory for insurers to have an ALM policy approved by the Board. This policy should enable the insurer to understand risk exposures, measure interest rate risk etc. Life insurance companies are mandated to provide data with respect to assets and liabilities on a quarterly as well as yearly basis. IRDA also recommends Stress testing to be performed by insurers to determine the potential level of vulnerability under different scenarios.

CONCLUSION

Proper management of asset/liability risk is facilitated through the board approved ALM policy, which sets limits on asset and liability mix, as well as the level of interest rate risk to which the insurance company is willing to expose itself. ALM guidelines issued by the Authority will help the companies to achieve their financial goals besides minimizing risks.

The importance of ALM for insurance companies cannot be over-emphasized, especially in the current volatile macroeconomic environment, and it is an imperative that every insurer must embrace and address. ALM is an integral part of running the insurance business. Market risk is the single biggest contributor to 'Required Capital'.

A detailed and thorough analysis of ALM with immediate corrective action is mandatory to ensure the good health of an insurance company.

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SALES PROMOTION A KEY IN COMPETITIVE MARKET - A CASE STUDY

Dr. Sakru Ketavath, Research Scholar
Department of Commerce,
Osmania University, Hyderbad.

INTRODUCTION

Modern business is large and complex which caters the nee of both national and international markets, as today the modern business as made the markets wide and vast it is becoming critical to handle them as the globalization and sophistication as removed the boundaries between the markets and markets had made must need for the study of the markets. In these competitive market sales promotion comes handy to the marketers to solve several of these critical challenges.

Need of the study

If a company wants to maximum the effectiveness of its marketing programs, the personal selling effort must be effectively integrated with other elements of marketing mix. Thus formulating personal selling strategy and manage the sales persons of the sales force who implement it becomes challenging task.

Fast moving consumer goods can be broadly described as the products, which are consumed by the customers vastly, and also the products, which have the high demand of consumption.

Product diversification it is being entered into the market so of FMCG so due to the high demand and competition for these products become difficult for the organization in the matter of sales promotion. The following are the points, which explain the need and importance of the study.

1. Competition in the FMCG products is high due to production of those products will be undertaken by various companies.
2. So it becomes a basic need for any organization to have a perfect idea on sales promotion.
3. The main reason behind concentrating the personal selling and sales promotion is due to availability of products are vast.

4. So it becomes necessary for any organization to make aware of the product to consumer because he is the final decision-maker in the matter of consumer goods.
5. Sales promotion, personal selling, salesmanship are some of the words which are often heard on the grounds of FMCG market.
6. So it becomes must for any organization to study those fields like sales promotion, personal selling and salesmanship.

OBJECTIVES OF THE STUDY

- To know the performance and how to motivate the sales force.
- To know the pro and cons, strategies, segmentation in the sales promotion.
- To know how the sales force is compensated.
- To know the practical grounds of the market.

RESEARCH METHODOLOGY

Research refers to a search of knowledge. Once can also define research, as a search on a specific topic impact search is an act of scientific investigation. According to Clifford woody research comprises defining redefining problems, formulating hypothesis or suggested solutions, collecting organization data and evaluating data, making deductions and reaching conclusions to determine whether they fit the formulating hypotheses.

The statements have been redefined and various compliments are grouped in such a manner to facilitate analysis. Search methods will be chosen often setting the objectives that is the collection of data to attain the objectives. The basic principle involved in research has been adopted in the overall methodology the following methodology has been used for meeting the requirements.

1. Defining the objectives.
2. Developing the information.
3. Collecting the information.
4. Analyzing the information.
5. Conclusions.

Sources of data: The following are the main sources of data for the study.
Primary data: Data collected through interviews and personal discussions with the executives

Secondary data:

- Sales reports
- Interviews taken from sales force,
- Performance evaluation reports

Personnel selling and salesmanship

Personal selling is a highly distinctive form promotion to make product and price known and acceptable to the largest consumer it is essential to communicate persuades and motivates them. For performing their tasks apart from other elements of promotional mix personal selling plays a significant role. Therefore personal selling has become a challenging profession in the modern world of increasing competition and growing sophistication of the buyers and his buying process. Sales force management includes recruiting and selecting, training and development, compensating and motivating, making territorial assignments, routing and scheduling, controlling appreciating sales persons performances. Personal selling in simple terms, refers to an individual selling, it has been defined differently authors.

- William Stanton defined personal selling as the personal communication of information to persuade prospective customer to buy something-a product, a service or something.
- American marketing association defines personal selling as an oral presentation in a conversation with one or more prospective purchasers for the purpose of making of sales.
- Communication is the crux of personal selling exercise it is the process by which a verbal or non verbal effort is made by a source to send a message through a channel to establish a commonness with the receivers.
- Personal selling involves direct personal relation between buyers and sellers.
- It results two-way communication.
- It involves social behavior both the seller and the prospect influencing each other

Personal selling has both long terms as well as short-term objectives, depending up on the overall marketing strategies and the nature of promotional mix. The objectives of personal selling include.

1. To do entire selling job when there are no other elements in the promotional mix.
2. To maintain communication with present customer take orders etc.,

3. To search out and obtain new customers.
4. To search and maintain customers operations in stocking and promoting the product line.
5. To keep customers informed on changes in the product line.
6. To provide technical advice and assistance to customers.

The terms personal selling and salesmanship are often used as synonyms. But there exists the following important differences between these two terms.

As already mentioned, personal selling is a highly distinctive form of promotion. It is basically a two-way communication involving not only individual but social behavior also. It aims at bringing the right products to the right customers. On the hand, salesmanship is seller initiated effort that provides prospective buyers with information and motivators them to make favorable decisions concerning the sellers, products or services.

Personal selling is employed for the purpose of creating product awareness, stimulating interest, developing brand preference, negotiating price etc., while the salesmanship takes several forms including calls by companies' sales representatives, assistance by a sales clerk, an informal invitation from one company executive to another.

Mismanagement of personnel selling

The highly trained and sophisticated sales force has always been successful in raising the effectiveness of marketing efforts. Further, most of the sales executives spend the bulk of their time in staffing and operating their sales force, a scientific management of the sales forces regionalizes the costs to be productivity. This requires the recruitment of right person, train them adequately, assign them to various jobs, and control them by evaluating their performance. Broadly speaking, sales force management involves the following steps:

1. Supervising and directing.
2. Recruiting and selecting sales personnel.
3. Training and development of sales force.
4. Compensating and motivating the sales force.
5. Assigning sales force to territories.
6. Evaluating their performances.

Supervising and directing sales representatives

Supervision of sales force is important. Because this serves both as a method of communication training and as device to ensure that company policies are being carried out. Further it provides a two-way channel of communication between management and the sales force.

Evaluating the performances of sales force:

Successful implementation of the personnel selling strategy depends directly on the performance of sales force individually and as a group. By appraising the performances of sales force against the established standards or normal management can think of taking corrective action, on one hand and giving rewards to the sales persons on other hand.

Qualities of good sales person;

The very success of personal selling depends upon the stock of salesmen available. The philosophy, ideology, attitude, aptitude and habit will go into making a successful sales man. The creativity and imagination are the two vital ingredients, which help sales, man in motivating potential buyers. Qualities of a good and successful sales man include as follows.

Data Analysis:

1 How long you working with this organization?

EXPERIENCE OF THE TMR	NO. OF RESPONDENTS	PERCENTAGE (%)
0-6 months	12	24
6 months to 1 year	14	28
1 - 2 years	15	30
More than 2 years	9	18
TOTAL	50	100

Interpretation:

- 24% of the respondents are having 0 -6 months experience as TMR
- 28 % of the respondents are having 6 months to 1 year experience as TMR
- 30% of the respondents are having 1 – 2 years experience as TMR
- 18% of the respondents are having more than 2 years experience as TMR.

2 Do you own a two wheeler vehicle?

TMR STATUS	NO. OF RESPONDENTS	PERCENTAGE (%)
Yes	40	80
No	10	20

TOTAL	50	100

Source: Primary Source

Interpretation:

- 80% of the respondents are having two wheeler
- 20% of the respondents are having two wheeler

3 how many territories are covered by each of you?

NO. OF TERRITORIES	NO. OF RESPONDENTS	PERCENTAGE (%)
1-2	17	34
2-3	13	26
3-4	12	24
More than 4	8	16
TOTAL	50	100

Source: Primary Source

Interpretation:

- 34% of the respondents are covering 1 - 2 territories
- 26% of the respondents are covering 2 - 3 territories
- 24% of the respondents are covering 3 - 4 territories
- 16% of the respondents are covering more than 4 territories

4 According to you which is the best marketing source to the ITC products?

SOURCE OF MARKETING	NO. OF RESPONDENTS	PERCENTAGE (%)
Personal selling	23	46
Advertising	9	18
Direct marketing	12	24
Online marketing	6	12
TOTAL	50	100

Source: Primary Source

Interpretation:

- 46% of the respondents say that personal selling is the best marketing source
- 18% of the respondents say that advertising is the best marketing source
- 24% of the respondents say that direct marketing is the best marketing source
- 12% of the respondents say that online marketing is the best marketing source

5 which of the following products are mostly preferred by customers

NAME OF THE PRODUCT CONSIDERED	NO. OF RESPONDENTS	PERCENTAGE (%)
Groceries/provisions	15	30
Agro commodity	8	16
Confectionary	12	24
Cigarettes	10	20
Nothing in particular	5	10
TOTAL	50	100

Source: Primary Source

Interpretation:

- 30% of the respondents determine that groceries/provisions are preferred mostly
- 16% of the respondents determine that agro commodities are preferred
- 24% of the respondents determine that confectionaries preferred
- 20% of the respondents determine that cigarettes preferred
- 10% of the respondents determine that nothing is preferred in particular

6 what are the factors behind the purchase of FMCG products

NAME OF THE FEATURES	NO. OF RESPONDENTS	PERCENTAGE (%)
Quality	16	32
Availability	18	36
Price	10	20
Any other specify	6	12
TOTAL	50	100

Source: Primary Source

Interpretation:

- 32% of the respondents considered quality
- 36% of the respondents considered availability
- 20% of the respondents considered Price
- 12% of the respondents considered some other factors

7 How many times you go to each retailer in week days?

FREQUENCY OF VISIT	NO.OF RESPONDENTS	PERCENTAGE (%)
0-2 times	23	46
2-3 times	14	28

3-4 times	08	16
4-5 times	05	10
TOTAL	50	100

Source: Primary Source

Interpretation:
- 46% of the respondents are visit 2 times in week days
- 28% of the respondents are visit 3 times in week days
- 16% of the respondents are visit 4 times in week days
- 10% of the respondents are visit 5 times in week days

8 After receiving an order from the wholesalers how much time takes to supply for them?

DURATION OF SUPPLY	NO. OF RESPONDENTS	PERCENTAGE (%)
0 - 3 days	28	56
3 - 5 days	19	38
5days to One week	5	10
10 days	2	4
TOTAL	50	100

Source: Primary Source

Interpretation:
- 56% of the respondents determine that it takes 0 - 3 days for supply
- 38% of the respondents determine that it takes 3 – 5 days for supply
- 10% of the respondents determine that it takes 5 days to one week for supply
- 4% of the respondents determine that it takes 10 days

9 how often you submit the sales reports to the Management

DURATION OF SUBMISSION	NO. OF RESPONDENTS	PERCENTAGE (%)
Daily	30	60
Weekly	18	36
Fortnightly	2	4
Monthly	0	0
TOTAL	50	100

Source: Primary Source

Interpretation:

- 60% of the respondents submit the reports daily
- 36% of the respondents submit the reports weekly
- 4% of the respondents submit the reports fortnightly
- 0% of the respondents submit the reports monthly

10. State the promotional activities in order to increase the awareness of customers

PROMOTIONAL ACTIVITIES	NO. OF RESPONDENTS	PERCENTAGE (%)
Displays	8	16
Catalogs	7	14
Offers	14	28
Margins	18	36
If any	3	6
TOTAL	50	100

Source: Primary Source

Interpretation:

- 16% of the respondents prefer displays for awareness
- 14% of the respondents prefer catalogs for awareness
- 28% of the respondents prefer offers for awareness
- 36% of the respondents prefer margins for awareness
- 6% of the respondents prefer other reasons for awareness

CONCLUSIONS

Interpretations are the task of drawing inferences from the collected factors after an analytical or experimental study. In fact it is a search for broader meaning of research findings .There was many observations from the study done. Some of the important observations are as follows.

The producers of diversified products & services market have enabled the company to have a huge sales force so as to meet the challenges of the market. Developed the sales force systematically to have a great command over huge sales force that it has aquatinted. For marketing case in organizing the sales force, it has segmented the markets, products and sales force. It has developed the marketed by segmenting the markets in to territories and territories in to areas and it also segmented the products and services according to their grounds. It has been motivating the sales force and retailers by compensating them with different policies.

- Allowances and incentives for the sales force.
- Buying allowances and giving margins etc.

Clear and sound knowledge about products made to promote the products in the markets easily. Daily reports made an awareness of sales potentials which helped in maintaining the balanced sales potential. Due to the increase of the markets diameter rapidly day by day it is becoming difficult to cover the area.

SUGGESTIONS

A proper report must be on the retailers to know their leisure time so as to use leisure time to promote the products. Due to the increase of market diameters rapidly day by day it is becoming great difficulties to reach the destinations due to the low traveling allowances. Regarding giving targets and incentives the organization has to make a quick decision

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A STUDY ON IMPACT OF STRESS AT WORK PLACE ON WOMEN EMPLOYEES WORKING IN BANKS IN HYDERABAD WITH RESPECT TO THEIR JOB AND CAREER PROSPECTS

Shruti Narain, Research Scholar
Department of Business Management,
Osmania University, Hyderabad.

INTRODUCTION:

Indian Banking sector has witnessed explosive growth and expansion ever since the launch of economic reforms. Nationalization of the Indian Banking Sector in 1969 served as a catalyst for streamlining the Banking sector, and eventually over a period of time, created new windows of opportunity for educated people to find employment. The opening up of Banking to the private sector in India further boosted job opportunities. Today, Banks have diversified their activities and have ventured into new products and services that include credit cards, consumer finance, wealth management, life and general insurance, investment banking, mutual funds, pension fund regulation, stock broking services, custodian services, private equity, etc. Further, most of the leading Indian Banks are going global with offices in foreign countries, by themselves or through their subsidiaries.

The phenomenal growth of Banks provides preferred avenues of employment for women as well. Women play a vital role in Indian economy in the Banking sector. As per Reserve Bank of India statistics dated July 22, 2013, women employees accounted for 18.32% of the total employee population. It is not unusual to find ladies at every cadre in the Banking sector and some even taking on leadership roles.

This article deals with a study of stress faced by women in the Banking sector with respect to their job and career prospects. This forms a subset of a larger study conducted to analyse the stress faced by Bankers on multiple other factors.

OBJECTIVES:

- To study the effect of Job Stress on females employees working in Banks.
- To study the effect of Career Prospect Stress on females employees working in Banks.

- To compare the effect of both types of stresses on female employees in Banks.
- To identify coping strategies for the same.

Review of Literature:

Poonam Sharma and Dr. Purshottam Dayal attempted to explore and gain better understanding of the work life of women employees working in private sector and the public sector Banks in Kota city, Rajasthan.

Ramya K. R., and Dr. A Raghurama made an attempt to identify the general sentiments, challenges and opportunities of women employees in the Indian Banking Industry. They worked towards identifying problems of women in the Indian Banking sector and suggested measures to overcome the problems.

Dr. Vanitha Esaimani and Dr. Bhavika R. Karkera aimed to find how far women play a pivotal role in the Indian Banking sector and to identify the problems faced by women in the sector.

Research methodology:

- Nature of Study: The study is empirical in nature.
- Sources of Data: Primary data
- Data Collection Method: Primary source of data is collected from women employees of public and private sector Banks operating in Hyderabad through a well-structured questionnaire based on a five point Likert scale
- Sample Design
    - Sample Size: 114 female Bank employees.
    - Sampling method adopted for collecting data from respondents is non-random convenience sampling method.
- Profile of Respondents: Data was collected from 114 female Bank employees' working in Officer cadre in both Public and Private sector Banks in Hyderabad. Leading Banks under Public and Private sector were chosen for sampling purpose.

The respondents in both the sectors were provided a set of questions given below:
Questions – Job Intrinsic:

1. My job involves unrealistic targets, pressures and tight deadlines –Work targets & deadlines.

2. I feel overloaded with work – work load.
3. My job often stretches beyond office hours – long working hours.
4. Work pressures are affecting my health – effect on health due to work.
5. My roles and responsibilities at office are poorly defined - Defined roles and responsibilities.
6. I carry work home – working at home.
7. My work does not allow me to maintain work-life balance – work-life balance.

Questions – Career prospects:

1. I live in the fear of losing my job – job security
2. I am not satisfied with the appraisal of my performance – performance appraisal.
3. I am not given adequate recognition and rewards for good performance – recognition for performance
4. There is limited scope for career growth – career growth opportunities
5. I am not satisfied with the promotion policies of my organization – promotion policies
6. I am not satisfied with the training and development programs of my organization – Development of core competencies.
7. I feel I am not paid enough salary for my work and contribution – Compensation

Data interpretation and analysis:

Here, female gender is the independent variable, and job stress and career prospects stress are the dependent variables.

Means were compared for the two categories and the results are as under:

Results under job stress:

Report

Gender		My job involves unrealistic targets and tight deadlines	I feel over-loaded with work	My job often stretches beyond office hours	Work pressures are affecting my health	My roles and respons-ibilities at office are poorly defined	My work does not allow me to maintain work life balance	I carry work home	Job Intrinsic Stress
Female	Mean	3.52	3.32	3.66	3.15	2.96	2.92	2.48	22.02
	N	114	114	114	114	114	114	114	114
	Std. Deviation	1.264	1.347	1.254	1.530	1.269	1.198	1.305	7.211

Comments on the above table:

Maximum mean value of 3.66 is observed under 'My job often stretches beyond office hours' followed by mean value of 3.52 observed under 'My job involves unrealistic targets and tight deadlines'. These are followed by 'I feel overloaded with work' (3.32) and 'Work pressures are affecting my health' (3.15). Lesser mean values are found at 'My roles and responsibilities at office are poorly defined' (2.96), 'My work does not allow me to maintain work life balance'(2.92) and least value at 'I carry work home'(2.48).

The mean value under Job intrinsic stress is 22.02.

From the above analysis, it can be inferred that women are most stressed about working beyond official office hours and having a job which requires achieving unrealistic targets and tight deadlines.

Women are least stressed about carrying work home.

Results under career prospects stress:

Report

Gender		I live in the fear of loosing my job	I am not satisfied with the appraisal of my perform-ance	I am not given adequate recognition and rewards for good performance	There is limited scope for career growth	I am not satisfied with the promotion policies of my organis-ation	I am not satisfied with the training and development programs of my organisation	I feel I am not paid enough salary for my work and contri-bution	Career Prospect Stress
Female	Mean	2.16	2.86	2.73	2.56	2.76	2.51	2.99	18.57

	N	114	114	114	114	114	114	114	114
	Std. Deviation	1.238	1.401	1.339	1.269	1.372	1.285	1.366	6.296

Comments on the above table:
Maximum mean value of 2.99 is observed under 'I feel I am not paid enough salary for my work and contribution' followed by value of 2.86 at 'I am not satisfied with the appraisal of my performance'. This is followed by 'I am not satisfied with the promotion policies of my organization' (2.76) and 'I am not given adequate recognition and rewards for good performance' (2.73). Lesser mean values are found at 'limited scope for career growth' (2.56), unsatisfactory training and development programs at 2.51 and least value is at job insecurity (2.16).

The mean value under Job intrinsic stress is 18.57
From the above analysis, it can be inferred that women are most stressed about inadequate compensation and unsatisfactory performance appraisal. They are least stressed about job insecurity.

Findings and conclusions:

- Women are more stressed by job intrinsic factors than career prospects.
- Under job intrinsic factors, women are most stressed about working beyond official office hours and having a job which requires achieving unrealistic targets and tight deadlines.
- Women are least stressed about carrying work home.
- Under career prospects, women are most stressed about inadequate compensation and unsatisfactory performance appraisal.
- Women are least stressed about job insecurity.

Recommendations and suggestions:
Organisations should take a step towards streamlining the work since majority of the stress is due to job intrinsic factors.

The higher officials should discourage females working beyond official hours as women have to play dual roles of a career women as well as a home maker. Sitting up in office for long hours to finish the assigned targets gives a stress in attending to family. Targets should be realistic and in line with the capacities and abilities of the women work force to have quality output in the work.

Compensation and performance appraisal is a matter of concern for women. Accordingly, their performance needs to be appraised in a fair manner and compensation can be linked to performance in terms of bonuses, perks, incentives etc. Non monetary benefits like providing them preferred place of posting in the case of transferable jobs, giving preference to women employees over their male counterparts for accommodation facilities close to the place of work, special leave for up to 2 years in the total service period as per contingency requirement, maternity benefits, flexible time hours, crèche facilities, work from home facilities, concierge services, and certificates of achievement highlighting exemplary performance would continue to motivate women to put their best foot forward.

CONCLUSION:

Working women's life is a vicious circle juggling between home and work, equally claiming their energy and time. Easing the stresses that prevent them from reaching their full potential at work is a smart way for Banks to attract and retain key talent. Keeping women's careers on track may not guarantee ongoing economic success but not doing so will surely limit it.

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Dr Y.Jahangir
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Osmania University, Hyderabad. 500007.

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