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New Trends in MANAGEMENT

Volume 2

Edited Book

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THE UNLIKE IS AMALGAMATED TOGETHER, AND FROM
DIFFERENT RESULTS THE MOST BEAUTIFUL HARMONY

This book is one such compilation.

This edited book is a blend of few of the handpicked Dissertation Projects by the batch 2019 – 2021 from GL Bajaj Institute of Management and Research, Greater Noida.

Thankfulness is the beginning of gratitude; gratitude is the completion of thankfulness. We express our gratitude to Shri Pankaj Agarwal, Vice Chairman, GL Bajaj Educational Institutions, for his undeniable support throughout, from supporting the Institute's activities until the completion of this edited book, for which our mere expression of thanks does not suffice.

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Dr. Sapna Rakesh
Chief Editor

PREFACE

In this era of technology and globalization, competition has become knowledge-centric, and innovation and technology has taken the center stage. What does it take to be today's winning competitor? The winner must have a competitive advantage – right? Real winners are not satisfied with a competitive advantage that may be just a flash in the pan; they want a sustainable, strategic advantage that will last. We call a sustainable strategic advantage a strategic competency. If a competency is to be considered strategic, it must create significant value for the customers, differentiate firm from competitors, and be difficult to copy?

To achieve sustainable strategic advantage, firms need to constantly focus on the identification of differential product strategies, building or reshaping, core competencies, acquiring unique technologies, and accumulation of intellectual property. These strategies can be harnessed to make the company successful in a highly competitive marketplace. Identifying what constitutes core competencies has been a subject of debate in the literature over 20 years. The problem has become even more complex with globalization and the growth of the internet, which has given open access to more competitive, environmental, and technological information.

The success in today's global, interconnected economy springs from the fast and efficient exchange of information. Sustainable competitive advantage is no longer rooted in physical assets and capital, but in effective channelizing, of intellectual capital.

One of the current competitive challenges for organizations is the knowledge about the real sources of competitive advantages and how they are created and sustained through time. These sources are associated, in their essence, to the strategic resources that firm's possess, such as physical, human, organizational and financial resources, and those they are able to access through cooperative relations with other firms with research and technology institutions. In the case of organizations belonging to a cluster, however, in addition to the resources internally developed or accessed through cooperative relations, they can also count on advantages that derived from their insertion in a cluster.

This book is a blend of some of the best Dissertation Research Projects from the batch 2018 – 2020 from GL Bajaj Institute of Management and Research, Greater Noida. The aim of this Dissertation Projects was to consort the students to discuss the emerging trends and issues prevailing in the upcoming markets. The book reflects the main outcomes of the conference and provides significant orientation and success criteria for achieving the best credibility through innovation technologies, their applications in the context of developing countries, their accessibility for users, and their appropriation by producers and stakeholders in the field of development, thus ensuring their sustainability. The authors gathered within this book include students' refined by their faculty mentors and plated with original work.

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A Study on level of Financial Literacy Among Indian Women

Ankita Dixit, Student GLBIMR

Introduction

One of the greatest difficulties for our country is Women strengthening which is achievable just when the Women of the nation will be taught and fiscally educated and free. Monetary education implies the capacity to settle on powerful choices in regards to the utilization of cash. A fiscally proficient individual can make a scholarly judgment and take powerful decisions in regards to the utilization and administration of cash. It is extremely promising to see that today Women are at standard with men in all fields however with regards to the money related basic leadership; they are as yet reliant on the male individuals from their family.

In our nation where neediness and joblessness are the significant issues, it is exceptionally urgent to monetarily proficient the Women to fuel the motor of development by giving chances to Women to add to the monetary development. There are examples of extraordinary destitution revealed by Women post the passing of the procuring individual from the family. Notwithstanding, such occasions could have been maintained a strategic distance from with future money related arranging possibility sparing and crisis reserves.

Since ages, this world has been a male-overwhelmed world, where men run the general public and ladies tail him. Ladies are the critical constituent of our general public; rather they are the premise of mankind. It is appropriately said that in the event that we made a ladies educated entire family ends up proficient.

In 2015, the world education was 86.3%, among which 82.7% of ladies were educated. The Indian situation is somewhat terrible where among 72% educated people, 62.8% of ladies were proficient. ("Proficiency Measurements Metadata Information Table". UNESCO Institute for Statistics. September 2015). These ladies, not just play an essential job socially yet monetarily too. In India, basically, ladies are the primary high-roller of the family while the men are the main worker of the family. In prior occasions the status of ladies was contrasted with men as they are viewed as the ideal homemaker on the planet, who should take every necessary step of home and raise the family as it were. Despite the fact that they had a higher status in sacred writings, they are lectured in various names like Goddess Durga, Goddess Saraswati, and Goddess Kali, etc.

In present-day times as well their condition isn't enhanced much, they were dependable affected by their folks previously marriage and their spouse after marriage. Be that as it may, the status of ladies in the current time begins moving forward. Presently ladies were given opportunity and right, for example, an opportunity of articulation and correspondence as well as the privilege to be instructed. At this period different lofty positions were held by ladies. Nonetheless, a few issues, for example, abusive behavior at home, settlement, sex-particular fetus removal, are as yet pervasive. The legislature has made different strides for enabling ladies. In such a manner, the legislature has built up.

The Service for Women and Child Development as a division of the Ministry of Human Resource Development in the year 1985 to make the comprehensive improvement of ladies and youngsters in the nation and in the year 2006 the office was given the status of a Ministry.

The service has required with the ability to detail projects, strategies and plans; arrange and direct the endeavours of legislative and non-legislative associations working in the field of ladies strengthening. The service is likewise

executing an exclusively integrated scheme for the empowerment of women named as Swayamsidha Program with core motive of establishing women's self- help group which will help women to have increased access to all kinds of resources which they normally denied, in addition to this, helps in increasing their awareness and skills thus actually feel them empowered.

Although women's access to financial services has increased substantially faster in the past 10 years, their ability to exploit this access is often still limited by the disadvantages they experience because of their gender. Same is the situation with the financial literacy. There is a gender gap between men and women in almost every country in case of financial literacy as well.

Worldwide, there is a five-point gender gap, with 65% of men not being financially literate compared with 70% of women. In India, the gap is wider with 73% of men and 80% of women not being financially literate (S&P survey, Dec 16 2015). While women are less likely to provide correct answers to the financial literacy questions, they are also more likely to indicate that they "don't know" the answer.

Women are good at budgeting and managing household expenses but many women take their steps back when it comes to take larger financial decisions and they generally leave it to their spouses, fathers, brothers, etc, believing them to be financial experts. Women are less experienced about the basic aspects of financial life. Usually they leave everything to their spouses not realizing the trouble they might have to suffer in the event of widowhood, divorce, spouse's incapacitation, etc.

As far as India is concerned, there have been numerous debates about gender over the years. Mainly such debates are related to women's position in society, their education, health, economic position, gender equality etc. In other words, women in India have always held a certain paradoxical position. Although in the modern society, women have slowly start recognizing her true potential and are conquering in every field whether it is politics, sports, entertainment, literature, technology, yet there are certain areas where women are still lagging behind the men. One such area is "Personal financial Planning".

It has been observed that women have inherently been better money managers on a small scale as far as their household expenses and savings are concerned, yet many women, including working women, seem to be comfortable in leaving their long-term finances and retirement planning to their fathers or husbands. In other words, the efficiency they exhibit in managing home finances is not getting extended to their personal financial front (Shobha and Shalini, 2015).

The major reason behind such issue is the lack of financial literacy among women. The survey by NCFE clearly exhibit that the financial literacy percentage among the women in India is quite low which needs special focus (Dwivedi et al., 2015). Since women hold around 50% of the population of India, it would be unjust if only rest of the 50% will be taking the financial decisions.

Moreover, there are several theoretical arguments that support that women should be financially literate to take rationale financial decisions. Such arguments are: Longer Life Expectancy: The study by OECD (2013) clearly exhibit that on an average, looking across 121 countries representing a wide mix of developing and developed nations, women live five years longer than men.

Hence, it is essential that women should develop an in-depth understanding about the concept of financial planning and investment avenues to protect her from the financial challenges she may face in the future.

It has been observed, in US and cross-national research in developed countries that older single women continue to be disproportionately poor as compared with older single men and older married couples. Hence, lack of knowledge can be more costly for women because they tend to live longer (Wall Street Journal).

Economic Growth: The nation's overall development needs women investors as well which will enhance the liquidity in the market and will boost up the scope of trade in the economy. This can be made possible if women are

financially literate.

Self Independent: It is essential for women to acquaint themselves with the finance world so as to be financially independent. This will lift up their status in the society as they will match up with the male section of the society as far as financial decisions are concerned.

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

Family well being: It is believed that if there is a difference in the financial literacy level of men and women, it may affect the relative economic power within the household. Since men and women will allocate household resources according to different preferences this has implications for the well-being of the family. Research in many countries suggests that households do not act as a single unitary decision maker. Instead, it has been observed that household resources in women's hands has been observed to be more likely spent on improving family well-being, particularly that of children.

minimum basic level of financial literacy is very essential for every woman so that they can live their life according to their own choices and take their saving & investment decisions in more effective and efficient manner hence contributing the healthy and prosperous life of their family as a whole.

Although, it is imperative for women to acquire financial knowledge and to make financial planning still a lot of gap persists in India as far as financial literacy among women is concerned. The present study is an attempt to study the issues faced by the women in acquiring financial knowledge, interventions made by the government and measures for boosting up the financial literacy among women in India. The study expects to contribute to the literature by extending the understanding of the whole scenario of financial literacy among women in India.

2.1 Financial Literacy

Monetary proficiency can be comprehended as the capacity to know how cash functions in a typical strategy. Explicitly it alludes to the arrangement of abilities and learning that permits an individual to settle on educated and viable choices with all of their monetary assets. Budgetary proficiency is straightforwardly identified with the prosperity of an individual and society as an entire since it causes a person to deal with their own monetary issues like reserve funds, speculations, impose arranging, retirement arranging, and so on and empowers them to get it how more cash can be created and utilized in additional viable and proficient way. Noctor et.al (1992) characterized budgetary education as 'the capacity to make educated decisions and to take powerful choices to utilize and the board of cash'.

Moore (2003) expressed that "People are considered fiscally proficient on the off chance that they are skilled and can illustrate they have utilized the information they have learned. Budgetary education can't be estimated specifically so intermediaries must be utilized. Education is gotten through handy experience and dynamic coordination of information. As individuals turn out to be progressively educated they turn out to be progressively more fiscally advanced and it is guessed this may likewise imply that a person might be progressively capable".

Mandell (2007) characterized monetary education as "The capacity to assess the new and complex budgetary instruments and settle on educated decisions in both selection of instruments and the degree of utilization that would be in their own best long-run interests".

Lusardi (2008) characterizes money related education as "Information of fundamental budgetary ideas, for example, the working of intrigue aggravating, the distinction among ostensible and genuine values, and the nuts and bolts of hazard expansion".

The Organization for Economic Co-activity and Advancement (OECD) has characterized money related education as "a mix of mindfulness, learning, ability, the frame of mind and conduct important to settle on sound money-related

choices and at last, accomplish singular prosperity". According to Reserve Bank of India, money related proficiency can extensively be characterized as the ability to have nature with a comprehension of money related market items, particularly reward and dangers so as to settle on educated decisions. The National Financial Educators Council characterizes budgetary proficiency as: "Having what it takes and information on budgetary issues to unhesitatingly make the viable move that best satisfies a person's close to home, family and worldwide network objectives."

Despite the fact that the definitions are given by various associations, what's more, creators are changed, some comparative parts in each money-related proficiency's definition are found. Every meaning of monetary proficiency has concentrated on the significance of having the monetary aptitude and learning to make educated choices.

2.2 Importance of financial Literacy

In today's scenario, rising and additionally created economies have begun giving particularly centre around the dimension of monetary education of their kin. The money related framework assumes an exceptionally critical job in the improvement of any country. Monetary obliviousness conveys critical expenses. Customers who neglect to comprehend the idea of intrigue intensifying spend more on exchange charges, keep running up greater obligations and bring about higher financing costs on credits (Lusardi and Tufano, 2015; Lusardi and deBassaScheresberg, 2013). The customers should be fiscally proficient to have the capacity to comprehend the budgetary world and make very much educated choices that will be painful

2.3 Reason of requirement of financial literacy

1. Increment in Life Expectancy - Presently multi day, the general population turn out to be increasingly cognizant about their wellbeing and upgrades in human services administrations have expanded the future in India, which results in a longer time to spend in retirement. This will unquestionably build the need of money related arranging, for example, investment funds for post- retirement, speculation choices, extended protection plans and arrangement for startling future projections. Just knowing the significance of money related arranging isn't enough, the individual must know how they can make them money related arranging bitterly so their motivations could be accomplished. For improving the situation budgetary arranging one must know the essential ideas of cash the board like calculation of progressive accrual, hazard expansion and so on. Consequently, concentrating on the significance of having the base dimension of budgetary education.

2. Advancements in Financial Products/Services and Innovative Development - Progression, advancement in innovation, deregulation furthermore, an expanded dimension of monetary incorporation gives a wide the scope of budgetary items and administrations conveying through different channels along these lines giving buyers more decisions to contribute their investment funds. The accessible items are more complex in nature along these lines required a few components to be taken care of, for example, intrigue

charged/got, expenses charged and dimension of hazard included and so on. The more noteworthy the open door accessible in money related items/administrations must be used when one can have better learning and should know about it. Since there is a more extensive scope of alternatives for reserve funds one must have what it takes to dissect which choice is better for them and which will help them in gathering their riches. The improvement in innovation has changed the working of the budgetary markets and making them exchanges speedier. Budgetary education helps the person to settle on their money related choices in progressively powerful and productive way in this way helping in riches aggregation. Additionally, because of mechanical advancement now days pretty much every bank gives their administrations the assistance of web managing an account and furthermore through different portable applications in this way giving straightforwardness in getting to monetary administrations. Be that as it may, as it were realizing this isn't sufficient, one must have what it takes and information of utilizing these applications, must

have the right stuff to recognize the credible applications on the grounds that these are not free from digital burglary. Subsequently, monetary education ends up vital.

3. The move in Risk - The hazard has been exchanged from government and business both to people. Presently, one needs to design their money related security independent from anyone else with the goal that they can anchor their future and may spare their cash for after retirement that is all. Each budgetary items/benefit includes certain hazard however because of expanded complexities in the monetary advertise, the money related items/administrations end up more dangerous. Commonly individuals are uninformed of the hazard they may have a look because of absence of money related learning and abilities. Since the hazard is moved to individual just, they must be more caution in contributing their cash, dealing with their portfolios so that their cash can be put resources into such a way, to the point that it helps in their riches amassing in general. Generally, reviews demonstrate that a lion's share of laborers are uninformed of the dangers they currently need to confront, and don't have adequate information or ability to oversee such dangers satisfactorily, regardless of whether they know about them (OECD, 2008). So, staying alert as it were with respect to market or item/administrations may not satisfy the reason, one must have the right stuff and information to break down the data accessible legitimately then just the interests in monetary market turns out to be productive.

4. Change in the Structure of the Family - Prior, in joint family the choices were taken by the leader of the family with the assent of each part and every single one is responsible for that choice. The benefit earned or the misfortune endured was shared among everybody in the family, nobody is exclusively in charge of benefit or responsible for misfortune. Presently days the structure of family unit builds the obligations of people in regard of spending, sparing and venture. The origination of family unit showed up in the mid twentieth century. The idea of Liberalization, Privatization and Globalization opens the more prominent opening for work which expands the versatility of a person. For getting the better open doors the individual begins moving from their local spots and therefore get isolated from their entire family. Since the family unit comprises of just spouse, wife and their youngsters so the obligation of basic leadership is on the two people as it were. The individual is in charge of their choices and may need to confront outcomes of their decision. Besides, it turns out to be essential for guardians to plan and contribute enough for their kids' training in view of increment in instruction costs. People need to be fiscally proficient with the goal that they can make educated and responsible choices.

They have to begin dealing with the essential money-related issues that are frequently disregarded in their mission for riches creation. The writer takes the peruses through the fundamental perusing and understanding of money related articulations with the goal that they might settle on educated monetary choices as they start their voyage of riches creation.

There are various financial sectors

- Central, Retail and Commercial Banks
- Internet Banks
- Credit Unions
- Savings and Loan Associations
- Investment Banks and Companies
- Insurance Companies
- Mortgage Companies

Financial literacy has grown as a result of the increasing complexity of financial products and services and concerns that many people do not have the necessary financial skills to make informed choices.

The concept of Financial Literacy is essentially spreading the knowledge of good money management practices. It

encompasses all monetary transactions that a person enters into such as earning, spending, saving, borrowing and investing.

Financial literacy is a process of making meaning of, and understanding, financial issues and situations. It requires:

- Set of prerequisite skills (which importantly include literacy and numeracy);
- Knowledge of how to access information and resources;
- Confidence in one's own skills and knowledge; and
- A set of values relating to personal financial responsibility.

In addition, becoming financially literate requires information and services to be available, accessible, useful and useable.

The main objective of financial literacy is, "spreading Financial Literacy amongst the poor, especially women by building their financial awareness, knowledge and skill to enable them to manage their finances and thereby making them financially self-reliant and provide them better and secured future".

The introduction of financial literacy will help people, especially women to manage these transactions to their advantage. Hence, the concept of financial literacy for the poor was very essential. Poor people in developing countries, like people of all strata over the world, aim for economic as well as social security for themselves as well as their families. However, they have fewer resources and opportunities and most of them live in high-risk and unpredictable environment. In this context, managing small amounts which they have becomes vital

2.4 Financial Literacy in India

Financial literacy and financial inclusion are two facets of an efficient economy and ensures financial stability in a country. Financial inclusion is on priority in our country and the government has made various strategies on financial inclusion in which various schemes are introduced and awareness campaigns are being held from time to time.

Financial inclusion focuses on quantity where more emphasis is on creating more bank accounts at zero balance in to order to provide ease in access of basic banking facilities whereas financial literacy is more about quality where emphasis is on expanding the knowledge on financial matters and products. Financially literate person are more likely to explore the financial products/ services which was offered by various banks and can use them effectively for their benefits.

The Reserve Bank of India launched an initiative in 2007 to establish Financial Literacy and Credit Counseling Centers throughout the country that offer free financial education and counseling to both urban and rural populations.

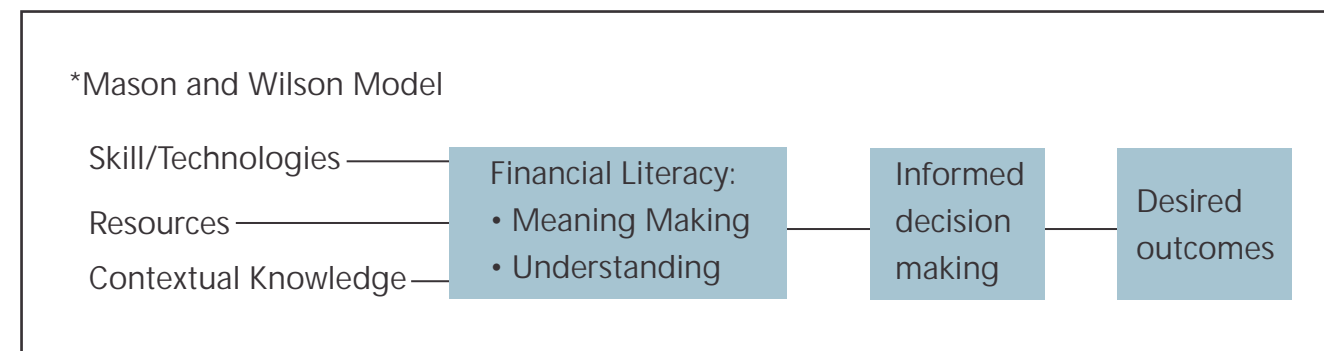
In April 2012, Visa released the results of its financial literacy survey which was conducted between February and April 2012 with 25,500 participants in 28 countries. The Financial Literacy Survey revealed that Brazil had the highest level of financial literacy at 50.4% of the respondents followed by Mexico at 47.8%, Australia – 46.3% and USA with 44%. India was ranked 23rd in the report with only 35% of Indian respondents as financially literate (Visa's International Financial Literacy Survey, 2012). As per the survey conducted by the financial service giant VISA in the year 2012 Indian women was ranked on 19th with only 36.8% of Indian respondents as financially literate. Survey was conducted between February and April 2012 with 25,500 participants in 27 countries. The Financial Literacy Survey revealed that women in Brazil had the highest level of financial literacy at 50.2%, followed by Australia – 48.8%, Mexico at 47.8%, and USA with 44.6%. Survey revealed that 37.9% women in India followed the household budget in comparison with Brazil which had the highest rate of 51.8%. Further, India ranked on 13th with 31.3% women only who save for an emergency among 27 countries.

Another survey conducted Standard & Poor's among 1, 50,000 adults from 140 countries, only 14 % Indian adults

were able to answer the questions on risk diversification, where only 51 % understood the concept of compound interest and 56 % were answer correctly on inflation.

2.5 Models for Financial Literacy:

Mason and Wilson propose a model for understanding financial literacy as shown in the diagram below. In this model, financial literacy is a process by which individuals use a combination of skills and technologies, resources and contextual information to make decisions with an awareness of the financial consequences



The consumer behavior model proposed in Australian Consumers and Money takes this notion of a process further and, looking at things from the consumer's perspective, shows how external events, socio-economic background, personal characteristics, skill levels and choice of information can all shape the way decisions are made. It identifies the following 'things I can learn' as components of financial literacy:

Pre-requisite skills (literacy and numeracy) :

- Planning skills (budgeting and saving)
- Investing skills
- Borrowing skills
- Spending skills
- Risk management skills
- Market awareness and
- Rights and responsibilities

The consumer behavior model also categories the means by which consumers get information and advice as formal sources, informal sources and intermediaries. The formal sources include information gained at school and directly from financial institutions or education programs. Informal sources include information gleaned from television, radio or other media; and intermediaries include friends and family.

2.6 Enabling environment for financial literacy

The promotion of greater awareness and understanding in financial issues in a dynamic and constantly changing environment has to be a continuous process. The effort needs to focus not only on providing education programs but also on putting in place the supporting infrastructure to enhance the access to financial services, to ensure an environment of financial transparency and disclosure as well as adequate consumer protection. Enhanced financial literacy is about bringing people into the financial mainstream so that they are able to make well informed decisions regarding their earnings, spending, savings and investments. The effort thus has to encompass a comprehensive set of strategies including the education process reinforced by the supporting infrastructure.

The goal of any financial education program is to increase awareness of the value of effective financial management, to show how it can contribute to financial security and improvement in the economic well-being. The most effective of

programs have been those that are targeted to specific groups. Fundamental educations for greater financial literacy that will have most sustainable impact are those through the school system. Such educational programs would provide the education to women from an early age. Essentially, it would not result in the marginalization of anyone target group, in particular women. Such programs would there fore best serve its purpose as part of the core curriculum. Indeed, the national education system can play a pivotal role in financial literacy within a country.

The responsibility of promoting economic and financial literacy needs to be a collaborative effort amongst the authorities, the financial service providers and the community to connect to the different target groups including all social groups. These would include the lower incomegroups, workers and businesses. Important are programs directed to families where women have an important role and to engage those we have not been able to participate fully to benefit from the favorable economic environment prevailing in the region.

Among the successful financial education programs are those with specific objectives that are tailored to meet particular needs. This includes programs to promote savings for specific objectives; for education; or for retirement. The education programs can also be linked to other objectives such as good health, house ownership and so on. Financial products can be tailored for such purposes to not only to promote interest but to also meet these objectives.

All distribution channels need to be relied on to maximize the effectiveness of financial education programs. Formal training programs can be reinforced by web based content via the Internet. The World Wide Web offers dramatic economies of scale in terms of distribution of content at low cost. Connectivity to the Internet can serve to bring information from all over the world to the local education system. Iterative programs can be useful to encourage participation.

Web based programs while requiring computer literacy has a wider outreach and allows for flexibility of time that is of particular importance to women.

A further means by which financial advice is provided is through financial advisors. Financial advisors are able to address the issues for the more sophisticated investors. Similarly, infrastructure for advisory services for small businesses is key. This can in particular be providedby financial institutions. Systems need to be in place where consumers and businesses are explained their rights and responsibilities. Micro credit institutions have also been highly successful in many countries in providing access to financial services to microenterprises. This will contribute towards greater reliance on the formal financial infrastructure and less on the informal structures.

Higher level of consumer education and financial literacy must be complemented with effective disclosure regime, fair and transparent market practices, simplification of financial products and enhanced communications in the marketplace to minimize information asymmetry. While efforts may be taken to enhance transparency and disclosure by service providers, and while programs for enhanced literacy can produce positive results, consumer protection is still needed. Given the asymmetry of information, consumers often do not have enough information to be completely protected. Building the confidence of consumers also requires that there be adequate avenues for consumers to seek redress to enable consumers to resolve conflicts through an equitable process. Also important are the requirements for complaints to be handled promptly by financial institutions.

2.7 Factors influencing women's financial literacy

Factors that were identified in the brief as influencing women's financial well-being and literacy include:

- Women in general spend less time in the paid workforce than men, are more likely than men to work part-time, are less likely to be paid overtime than men and are more likely to have interrupted career patterns due to caring responsibilities. Women's employment is also concentrated in lower paying sectors and occupations. This has implications for women's financial management and security, as well as superannuation and retirement

savings.

- Women have very different financial information needs from men and are more likely to require financial intervention or targeted life-stage financial advice when facing relationship transitions such as separation, divorce or death of a partner or when taking maternity leave or career breaks to raise children.

2.8 Efforts Made in the Field of Financial Literacy

RBI'S Initiatives on Financial Literacy

The Reserve Bank of India has undertaken a project titled "Project Financial Literacy". The Objective of the project is to disseminate information regarding the central bank and general banking concepts to various target groups, including, school and college going children, women, rural and urban poor, defense personnel and senior citizens. The project has two modules, first module is focused on the economy, functioning and activities of RBI and second module is focused on the general banking functions. The Bank on its web site has also created a link to facilitate easy access to information for the common people; the information is available in 13 regional languages which helps people in their dealings with banks.

SEBI's Initiatives in the Field of Financial Literacy Securities and Exchange Board of India (1992) has designed different modules in their financial literacy program at different segments like financial education at school level, at college level. They have different modules for executives, home makers and middle-income group. SEBI has their resource person who have the knowledge of financial markets on different aspects and these executives organize different workshops for making aware of basic financial matters like savings, investments, insurance, retirement planning etc to all the target group.

IRDA'S Initiatives in the Field of Financial Literacy Insurance Regulatory and Development Authority Act (1999) has taken various initiatives in the field of financial literacy. They conducted different awareness programs and circulated simple messages about the rights and duties of policyholders through television and radio channels. IRDA conducts an annual seminar on policy holder protection and welfare, and also publishes the "policyholder Handbooks" as well as various comic series on insurance.

Initiatives by other Banks Apart from the Reserve Bank of India and other commercial banks, the private banks and multinational banks also do their effort to boost the financial literacy. The initiative in opening FLCCs in the country such as initiative of Bank of India, "ABHAY? Counselling center and Disha Trust, an initiative of ICICI Bank Ltd. Many other Banks are reaching out to the financially excluded in at least three modes, separately or in combination. "Sarthee" Bank of India's Programme is "Abhay" and Canara Bank Mobile Van called "Canara Gramina Vikas Vahini" while Dena Bank named its programme as "Dena Mitra", Allahabad Bank has named its programme as "Samadhan" (Hemanath, 2012).

Initiatives by Non-Government Organisation (NGO)

Non-Government Organisations started financial literacy programme as a part of their Self Help Groups development programme. The Mangalore based Institutions started a programme named "Jnana Jyothi Financial Literacy and Credit Counselling Trust" which was jointly sponsored by Syndicate Bank and Vijaya Bank. People's Education and Development Organisation (PEDO), Durgapur. Rajasthan, IBTADA, Alwar, Rajasthan, Centre for

Community Economics and Development Consultants Society (CECOEDECON)

2.9 Background of research

Access to financial information

Women currently have a range of strategies for managing their finances they implement in order to be able to cope financially

2.9.1 Current Financial Management Strategies

It is important to recognize that many women on low incomes were good money managers out of necessity and this need to be recognized and built on in future financial education policy and program development. As a starting point to discussing the core question of how working women access financial information The strategies women employed to manage their finances were consistent across the groups and include the following:

- The use of lists, diaries, and account books to enter and monitor expenses
- Either not using credit cards or being rigorous in paying them off
- Using Centrepay or other direct debit facilities to regulate their bill paying
- Getting extensions on their gas, phone and electricity bills by negotiating with the utility companies to part-pay the bills and
- A range of budgeting strategies including seeking out specials at the supermarket, recycling clothing, using discount vouchers and coupons to purchase food and other household items, and taking advantage of free entertainment opportunities

2.9.2 Barriers to accessing services and information

Barriers to financial literacy common across women

The women reported a range of issues about the broader difficulties they face in understanding and dealing with their finances and which had made it difficult for them to gain financial literacy. These included having the prerequisite skills to understand financial issues and situations; confidence in their skills and knowledge; and knowledge of, and physical and financial capacity to access financial information. These barriers are categorized below as social and cultural, physical, educational, and financial barriers.

2.9.3 Life-staged financial information and education needs

Life-stage financial advice is required by many women at transition points in their lives. Transitional times those are common to many girls and women as well as those that are particular of working women. Even though there is frequently little motivation to access information ahead of these stages, it is nevertheless important that information is available when women need to access it.

Women are likely to require financial intervention, or targeted life-stage financial advice, when facing relationship transitions such as separation, divorce or death of a partner, or before retirement or taking career breaks to raise children. The people rarely seek information about the financial implications of such life stages and events in advance.

A) Girls and young women

Suggestions from the women concentrated on financial education in schools and for young women leaving

home and starting work.

Financial education in schools

Current life skills subjects offer the opportunity to explore financial education using relevant examples such as mobile phone debt, saving to buy clothes, a car or other items, while the personal development curriculum in schools provides an opportunity for discussion on career choices and to hear from role models about choices and decisions that led to achieving career goals.

Leaving home and starting work

This stage was seen as a critical life stage for many young women and an orientation to the financial information they will require is needed, to successfully negotiate this stage. This includes budgeting; understanding employment agreements and contracts; knowledge of superannuation; signing rental leases; entitlements to benefits; avoiding pitfalls such as debts incurred from mobile phones, credit cards and car payments; as well as the consequences of unpaid fines.

Having a family and middle age

Women from the target groups agreed working women face multiple financial information needs from around 20 to 50 years of age. A number of key transition points where life-stage financial advice is seen as important, were common in all the groups.

Such situations are encompassed in the following stages:

Having and raising children

Financial information on entitlements and support for women upon the birth of a child was seen as important by all participants.

Buying a home

Reliable, jargon-free information and advice is needed on buying a home including: understanding mortgages and repayments; and approaching a bank if unable to make repayments.

Returning to work

Returning to work after having a break to raise children is a stage participants saw as requiring targeted advice about superannuation, access to courses to upgrade skills, and budgeting and financial planning assistance.

Separation and divorce

This can be a very difficult transition point for many women where targeted advice and assistance is of critical importance.

Financial advice during this stage needs to include dealing with splitting assets, relationship debt, benefit entitlements and the adjustments needed to live on one income.

B) Older age

Older women (65+) were seen as a particularly vulnerable group for a number of reasons, including that they may have had less formal education and are of the generation who left financial matters to their husbands.

The needs for women in their pre-retirement years as:

- Access to independent financial planning about post-retirement investment options
- Advice on the costs associated with buying into a retirement village and investing the proceeds from the sale of a farm or the family home
- Understanding pension entitlements
- Understanding superannuation and
- Technological literacy (use of ATMs, Internet banking, etc.)

Financial literacy becomes especially important for older women when they are no longer able to work. It is important for older women to have a basic level of numeracy so they can understand and deal with pension entitlements, superannuation, investment opportunities and be aware of scams. Widows were seen as a particularly vulnerable group who frequently required assistance to deal with, and make decisions about property and other assets.

Opportunities to help marginalised women improve their financial literacy

This section deals to some of the approaches which are currently used in India and internationally to increase financial literacy, skills, knowledge and confidence about financial issues.

Good practice in delivering financial education programs:

It describes a sample of existing financial education programs and approaches in India and internationally that target working women. Those programs that have been evaluated demonstrate a number of common elements of good practice. These include:

- Having a clear target audience whose cultural needs and access requirements have been considered at program design stage
- Working with participants over an extended time in courses that focus on improving participant's financial education skills
- Being well-resourced (in both economic and human resources) through partnerships between financial institutions, government departments and community organizations
- Evaluating the program and using the results of the evaluation to improve the program.

India has emerged as one of the least financially literate among 28 countries. Indians were ranked low for several reasons, including the lack of household budgets, money management discussions with family, financial education or an understanding of money management basics. Indian families discuss money matters including budgeting, saving and responsible spending habits with their children just 10 days per year. 43% women and 20% men said they did not understand personal money management well enough to discuss the subject with their children.

Financial literacy means possessing the ability to understand how money is earned, saved and invested. It entails having eased while dealing with numbers. A financially literate person knows the importance of diversifying risk, compound interest, and inflation. A lack of understanding of these makes one financially illiterate. A financially literate person becomes easily vulnerable to frauds and scams. Even on gender counts, Indians surpass the global averages. 80% of Indian women were financially illiterate as compared to only 65% women worldwide. Similarly, 73% of Indian men were financially illiterate compared to only 70% worldwide.

The following problems can be attributed to financial illiteracy:

Falling prey to Ponzi schemes: These are collective investment schemes which promise to give sky-high returns in a short span of time. It pays returns to existing investors out of money collected from new investors instead of paying out of profits. The Saradha Chit Fund Scam, Sahara Scam, etc. are classic examples. In India, these schemes have managed to collect more than Rs. 66,895K of investments by duping millions of investors. Financial illiteracy and greed make individuals put whole life savings in these schemes.

Choosing wrong products: Due to financial illiteracy, individuals ignore the risk-return- liquidity aspect while investing. Most of the times they succumb to coercion from friends or family or to fulfill immediate tax-saving needs. As a result, they digress from personal financial planning goals. Ultimately, the money gets blocked in unproductive investments.

Lack of clarity between Saving, Investment & Insurance: Financially illiterate people can't differentiate between saving, investment & insurance. They get fooled by the marketing gimmicks of agents. They

buy insurance with an investment and fail in both aspects. Neither they get reasonable ROI nor do they get sufficient risk cover.

Low participation in structured financial products like Mutual Funds: India has one of the highest Gross Domestic Savings rates at 28% of GDP but one of the lowest mutual fund (MF) penetration levels at only 6% of GDP. Mutual funds give investors manifold advantages. Financial illiteracy prevents people from getting into mutual funds. Hence, they are unable to get returns corresponding to their risk profile.

A relatively broad range of empirical literature documents the existence of gender differences in financial literacy in various countries and along several dimensions. However, few studies have been conducted in India that examined this issue empirically.

Dwivedi et al. (2015) analyzed the NCFE report on financial literacy and financial inclusion in India on the basis of occupation, geographical area and gender mix. The study found that urban population is more financially literate than rural population. Also, men are found to be more financially literate than women. Moreover, the study observed that women have higher financial attitude but less financial behavior and less financial knowledge, whereas men have slightly less financial attitude than women but scored more on financial behavior and financial knowledge.

In the same line, Shobha and Shalini (2015) conducted a survey on the perception of women towards the personal financial planning in the city of Bangalore. The study revealed that Indian women give priority to family and children's requirements more than her requirements for financial needs and individualistic financial security. Also, difficulty in convincing the spouse and family is also a challenge to the women to create their financial plans. The study also found that women still feel that gold, real estates, bank deposits, insurance products and provident funds are the most safe instruments for investing, while they feel that mutual funds, derivatives, chits, stocks and shares as riskier investments. Hence, lack of knowledge on new instruments influence their ability to earn returns for them.

Paramashivaiah et al. (2014) quantify the risk appetite score of 120 women grouped on various socio-demographic bases in Mysore city. The analysis through regression model suggests that there is a negative influence of age of women on their risk tolerance levels.

Whereas, Prasad et al. (2014) examined the impact of certain emotions, such as greed, fear, love and disbelief, on the Indian woman's investment decisions. The study found that these emotions block the logic and rationality of investors, affect their prospects of generating wealth, cause financial distress, and further deteriorate their emotional stability.

Agrawal (1988) observed that the decision making power of women in India in economic field lies in the hands of their husbands irrespective of the wives' income, education and profession. Singh (2004) as well as Balasari (2004) support that working women are more aware of the type of investment instruments and take better investment decisions than non-working women. Moreover, it is found that working women spend less on themselves as compared to the non-working women. Venkataraman (2004) compared the psychology of women investors with men and found that although women like to get the maximum returns but most of them make secret savings and use this secret money on gold, jewelry or apparels. Also they prefer to invest more in post office schemes.

However, Agarwal (2010) observed that women do not possess the requisite skills to make successful investment and financial decisions which generates the need for financial literacy. Mathivathani and Velumani (2014) conducted a study to know the level of financial literacy among women in rural areas of Tamilnadu. The study found that financial literacy of marginalized rural women is very low. Hence, the proper development of financial literacy would help the women for better financial decision making and proper utilization of financial services and products.

Agarwalla et al. (2013) investigated the influence of various socio-demographic factors on different dimensions of financial literacy among the working young in urban India. While the influence of several factors such as gender, education and income is similar to what has been reported in other contexts, a few factors specific to India, such as

joint family and consultative decision making process are found to significantly influence financial literacy. The study also investigated the relationship between the dimensions of financial literacy. Adding to the growing empirical understanding of financial literacy across countries, the study provides an analytical basis for enunciating policy for enhancing financial literacy of youth in India. In nutshell, financial literacy level of women in India is quite low and need special attention. Hence, research efforts in this area are undeniably needed.

D'Ancona. E. L. (2014) conducted a study on Financial Literacy and Financial Inclusion of Women in Rural Rajasthan- a Case Study of the Indian School of Microfinance for Women's Financial Education Project. The objective of this paper was to explore the impact of financial education and other forms of training on borrowers and entrepreneurs using SHGs & microfinance. The study was exploratory in nature and conducted on 2500 women. Study was conducted through a combination of obtrusive observation of the methods used in MEDP training and qualitative interviews with the program coordinator and the participants in the training and concludes that financial literacy contributes to financial inclusion among the rural and tribal women living near Udaipur. Due to gender inequality in rural Rajasthan places SHGs & programs like ISMW's

MEDP Training prove to be too demanding for women. This study also found some significant social benefits from the MEDP Training including negotiating power and increased status of women within their communities. This study was based on variables like Literacy, knowledge of financial terms and work schedule.

CA Anupama & Joshi. B. (2015) conducted a study on financial literacy of women and its effect on their investment choice decision. The objective is to evaluate the financial literacy of working and financially independent women and its impact on their investment decisions. The study is conducted on 85 educated working women in educational sector in Gautam Budh Nagarhas. Study concluded that Financial Knowledge leads to better life standards, independence in financial decision making and better empowerment and there is a drastic need for financial literacy programs to make women confident in making sound financial decisions.

Haque. A. & Zulfiqar. M. (2015) conducted a study on women's economic empowerment through financial literacy, financial attitude and financial wellbeing. The objective of the study is to assess the level of financial literacy, financial attitude and financial wellbeing of working women and to examine the relationship between financial literacy, financial attitude, financial wellbeing and economic empowerment of working women. Study is conducted on 300 working women of non-financial sector of Pakistan. Study found that the financial literacy, financial attitude and financial wellbeing are significantly & positively related with economic empowerment.

Phelomenah et al. (2015) conducted a study on the role of financial literacy on the profitability of women owned enterprises in Kitui Town, Kitui Country, Kenya. The objective of the study was to establish role of budgeting, cash management, savings and record keeping on the profitability of women owned business. The sample size was 76 business women. The variables selected for the study was Budgeting, Cash management, Savings and Record keeping. The tools used for the study was Descriptive statistics: to establish patterns, trends and relationships, measures of central tendency and dispersion used to analyse the collected data, presented using tables and figures. The study concluded that budgeting, cash management, savings and record keeping significantly influenced profitability of women owned business.

Akisimire. R et al. (2015) tried to examine the relationship and effect of microfinance on the entrepreneurial empowerment of women using evidence from the Central and Eastern regions of Uganda in their paper microfinance and entrepreneurial empowerment of women: the Ugandan context. The study was based on 150 women of Eastern & western region of Uganda. Multiple regression and correlation techniques was used to establish the relationship between the variables and to establish the influence of microfinance on women's entrepreneurial empowerment and found that microfinance and social capital have a significant relationship with entrepreneurial empowerment and concludes that microfinance is an important tool towards the entrepreneurial

empowerment of women in a resource perspective.

Saha. B. (2016) makes an effort to study the extent of financial literacy among working women of Raipur city and the study was conducted on 100 working women of Raipur city. Percentage and cross analysis were used for analysis of the data and study concluded that working women have good basic knowledge about risk free investment products, very less basic knowledge about risky investments, credit products are better known among them. Variables used for the study were financial products (investment, credit & insurance), credit products and insurance products. Arora. A. (2016) conducted a study Assessment of Financial Literacy among working Indian women. The objective of the study was to assess the financial literacy level of women and was conducted on 700 working women of urban areas of Rajasthan among which only 444 were responded. Results of the study show that the general awareness about financial planning tools and techniques among women remains poor even today, in 21st century and concluded that women have performed comparatively better in terms of financial attitude and behavior as compared to financial knowledge score. The study was based on three variables i.e. financial knowledge, financial behavior and financial attitude.

Chen and Volpe (2002), Gender differences in personal financial literacy among college students, the survey was conducted on 1800 students from fourteen universities of U.S., out of which 924 useable responses were collected. The study attempted to examine financial literacy among college students by determining their personal finance knowledge in the areas of general knowledge of personal finance, savings & borrowing, insurance and investment. The results suggested that women generally were less knowledge about personal finance as compare to male counterparts. Gender differences remained significant statistically even after controlling other factors like class rank, work experience and age. Also noted that participant's financial literacy was related to the education and experience.

ANZ Bank, Roy Morgan Research (2003), the first national survey was conducted in Australia on financial literacy on behalf of ANZ Bank (RMR, 2003). A telephonic survey of 3,548 adults and of 202 people detailed survey of around one to one half an hour rigorous interview which included a self-component. The telephonic Survey had 145 questions of finance and 25 questions about demographic factor. The prime objective of the study was to examine the knowledge against an individual's needs and circumstances and that's why all the respondents were not required to ask all the same questions. The tools such as correlation, percentage method and averages were used to summarize results. The results showed that overall Australians society is financially literate but certain groups were found to have challenges that need to be addressed. These were groups which were identified as having lower education level, unskilled workers, those with household income level lesser than \$20,000, people of two extreme age groups as 18- 24 years old and those above 70 years. The sections of respondents in the highest financial zone were males. Hence the respondents although were tested on the issues relevant to their current circumstances, despite this a strong correlation was found between financial literacy and socio- economic status.

AnnamariaLusardi (2008), the study showed that financial illiteracy is widespread among the U.S. population and specifically acute among some specific demographic groups, like those with low level of education, women, African-Americans, and Hispanics. Also, almost half of older workers did not know which type of pensions they had and the large majority of workers knew little about the rules governing Social Security benefits. Notwithstanding the lowered literacy levels that many individuals displayed, very few were depending on the help of experts or financial advisors to made saving and investment decisions. Low level of literacy and lack of information affect the ability to save and to secure a comfortable retirement, ignorance about basic financial concepts can be attributed to lack of retirement planning and lack of wealth. Financial education programs can contribute towards improving saving and financial decision- making, but much more can be done to improve the effectiveness of these programs.

Lusardi, A., Mitchell, O. S., and Curto, V. (2010), they investigated to define financial knowledge as financial literacy, attempted to study the young group in U.S and collected the data using National Longitudinal Survey of Youth in 2007-08. The questions were framed to obtain answers pertaining readiness of the young ones to take sound financial decisions, affecting determinants of financial literacy in young ones and the policy initiatives required to enhance the young ones financial literacy. It was found that financial literacy is low, less than one-third of young adults possess basic knowledge of interest rates, inaction, and risk diversification. Also stated that financial literacy was strongly related to socio demographic characteristics and financial sophistication of family. Sobhesh Kumar Agarwalla etc.

In (2012), conducted a survey named "A Survey of Financial Literacy among Students, Young Employees and the Retired in India". The study attempted to examine the financial literacy level of three important demographic group's namely young working adults, retired and students in India. A sample of 2,967 was taken, out of which 1001 were students, 983 were employees and 983 were retired. It was found that basic principles of money matter and household finance such as compound interest, inaction rate impact on returns and prices, and the diversification roles are not well understood. The financial behavior of Indians was found positive. The score of employed and retirees were high. The retirees and employed borrowed less and were dependent on their savings. The found positive financial behavior was appeared to be associated with higher financial knowledge.

Men were compared to women more financially knowledgeable. Agarwalla, Sobhesh Kumar; Barua, Samir K.; Jacob, Joshy; Varma, Jayanth R. (2013), the study on financial literacy among working young in urban India investigated the influence of various sociodemographic factors on different dimensions of financial literacy among the working urban youth in India and studied the relationship between the different dimensions of financial literacy in India. The attributes on which data was collected were gender, age, level of education, marital status, and family income, financial decision-making process and budgeting of expenditure. The study confirmed the influence of socio-demographic attributes on financial literacy.

4.1 Objectives of the Research

- 1.) To look at the level of working and non-working Women in various urban cities and villages in essential managing an account information and basics of the monetary idea.
- 2.) To break down the awareness of Women in budgetary items and administrations.
- 3.) To consider the need for women in making an astute judgment in connection to their saving and Investment exercises.
- 4.) To study the need of women in making a wise judgment in relation to their saving and Investment activities.

4.2 Scope of the study

- 1.) The research work provides a deep and impactful understanding of the subject related to the fiscal learning among women of Urban as well as Rural areas.
- 2.) Thus the study provides a broad scope in relation to the subject covering all essential elements such as financial knowledge, financial behavior and financial attitude of women.

4.2.1 Rationale for the study

- 1.) For the most part, Women don't have any privilege to take an interest in the family's social issues and budgetary choices.
- 2.) Indeed, even the Women who are in employment or associated with any procuring exercises are not free to take

their monetary choices.

3.) We have taken both working and non-working Women in our example as working Women are more instructed and get more introductions; in contrast with non-working Women.

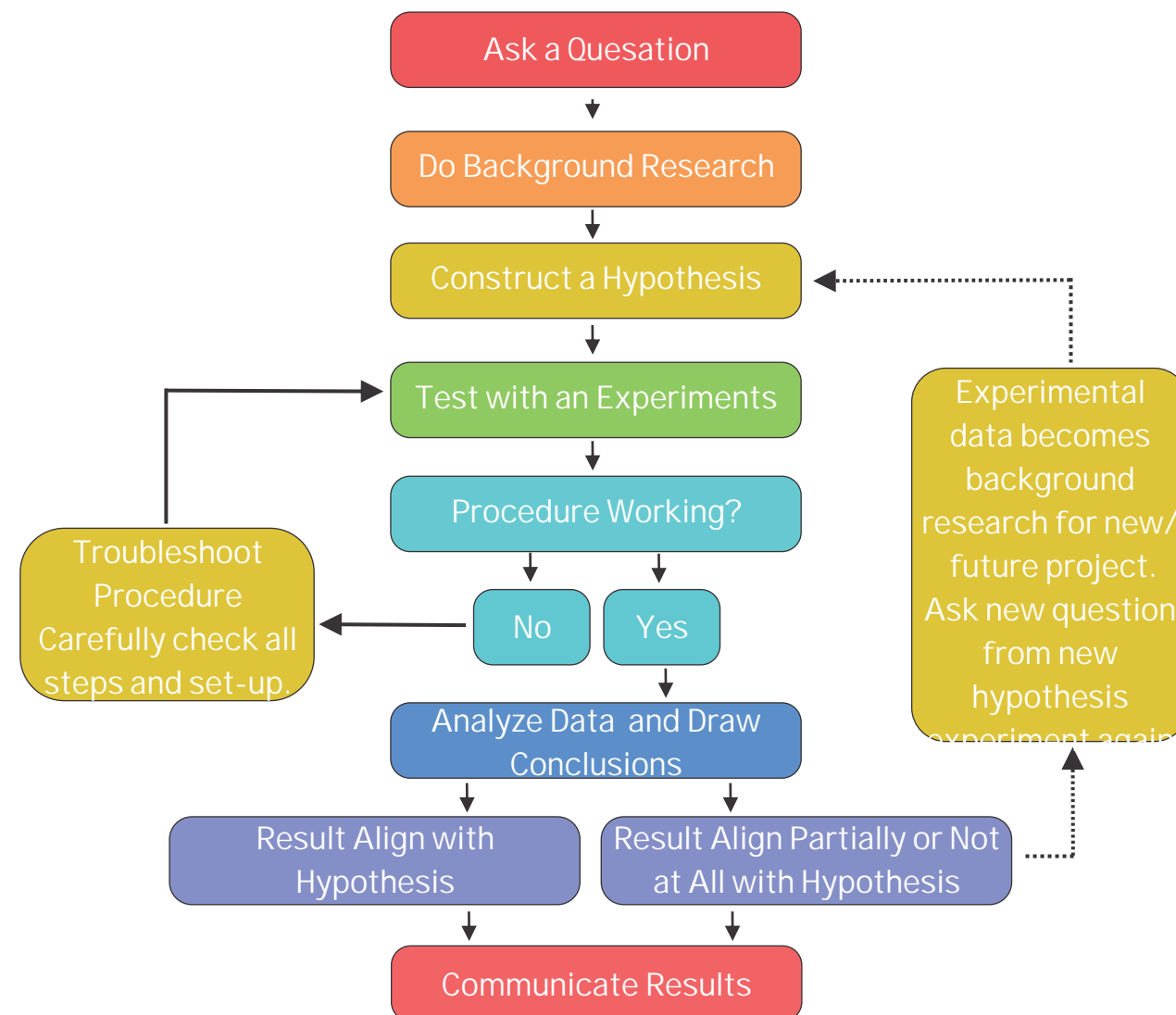
4.) So it is relied upon to get money related education among Women in a more powerful way.

4.3 RESEARCH METHODOLOGY

4.3.1 Research methodology process

Research methodology is the specific procedures or techniques used to identify, select, process, and finalize information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. The methodology section answers two main questions: How was the data collected or generated? How was it analysed?

For successful understanding and completion of the project, this research was carried out in distinctive steps which show below with the help of a figure:



(Fig: 4.4.1, Research Methodology Process)

4.3.2 Research design

A research design is a systematic approach that a researcher uses to conduct a scientific study. It is the overall synchronization of identified components and data resulting in a plausible outcome. To conclusively come up with an authentic and accurate result, the research design should follow a strategic methodology, in line with the type of research chosen. To have a better understanding of which research paper topic, to begin with, it is imperative to first identify the types of research.

Important elements of research design include research strategies and methods related to data collection and analysis.

Research design can be divided into two groups: exploratory and causal.

Exploratory research, according to its name merely aims to explore specific aspects of the research area. Exploratory research does not aim to provide final and conclusive answers to research questions. The researcher may even change the direction of the study to a certain extent, however not fundamentally, according to new evidences gained during the research process.

Causal research can be divided into two categories: descriptive and causal. Descriptive research design, as the name suggests, describes specific elements, causes, or phenomena in the research area.

On a general term, research design is viewed from two perspectives, a quantitative research design or a qualitative research design, which both have extended components. They can both be used or applied distinctively or together.

Therefore, the current study is descriptive research.

4.3.3 Sample design

Sampling method refers to the rules and procedures by which some elements of the population are included in the sample. Some common sampling methods are simple random sampling, stratified sampling, and cluster sampling.

For the purpose of study, single random sampling is used.

A simple random sample is a subset of a statistical population in which each member of the subset has an equal probability of being chosen. A simple random sample is meant to be an unbiased representation of a group. An example of a simple random sample would be the names of 25 employees being chosen out of a hat from a company of 250 employees. In this case, the population is all 250 employees, and the sample is random because each employee has an equal chance of being chosen.

4.3.4 Sampling framework

- Target Audience: Sample of 100 Women customers of Delhi and Delhi NCR will be taken into study and their data will be collected.
- Sample Area: Sampling area will be taken from Delhi and Delhi NCR

4.3.5 Data collection technique

Normally two types of data are used for the purpose of carrying out research i.e. a. Primary data and Secondary data:-

- Primary data - Primary data is one, which is collected from fresh sources and for the first time while conducting the research.
- Secondary data - Secondary data is that data which has been collected for some other purpose.

For the project, primary survey has been undertaken through a questionnaire filled by lady customers who live in Delhi & Delhi NCR. Secondary data is also used for the research which includes journals, Magazines, Website etc.

4.3.6 Tools and techniques of analysis of data

The data analysis has been done using the MS Excel, SPSS Software and tests like Chi-Square test is used for analysis and interpretation.

SPSS is a computer program used for survey authoring and deployment (IBM SPSS Data Collection), data mining, text analytics, statistics analytics. The program was helpful in conducting the chi square test and T-test.

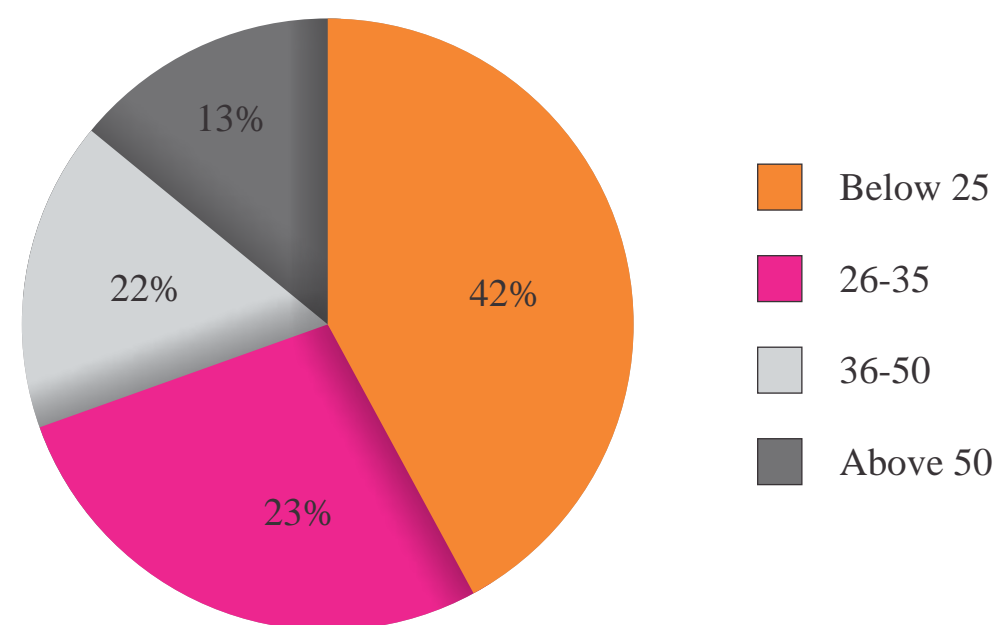
HYPOTHESIS

- 1) H0: There is no significant association between working and non-working women and level of investment.
- 2) H0: There is no significant association between Educated and Non-Educated Women and knowledge of investment instrument.
- 3) H0: There is no significant association between the purpose of an investment and duration of an investment.
- 4) H0: There is no significant association between working and non-working women and the financial factor of an investment.
- 5) H0: There is no significant association between the metropolitan and non-metropolitan city of an investment.

Graphical Representation & Analysis of data driven by respondents

1. Age of respondent

Age	Below 25	26-35	36-50	Above 50
Frequency	48	27	15	25



2. Education Level

Education	Primary	Secondary	Certificate/ Diploma	Degree and above
Frequency	17	19	25	54

3. Is your field of education and profession related to trading in investment instruments?

Field of education is relate to investment	YES	NO
Frequency	52	63

APPENDIX

Questionnaire for customer

"A Study on level of Financial Literacy among Indian Women"

1. Name of respondent:

2. Age:

- A.) Below 25 B.) 26 – 35 C.) 36 – 50 D.) Above 50

3. Education Level:

- A.) Primary B.) Secondary C.) Certificate/ Diploma D.) Degree and above

4. Is your field of education and profession related to trading in investment instruments?

- A.) Yes B.) No

5. Resident

- A.) Metropolitan City B.) Non Metropolitan City

6. Occupation

- A.) Student B.) Self Employed C.) Professional D.) House Wife E.) Retired

7. Income

- A.) No income B.) Less than 3 lac C.) 3 - 5 lac D.) 5 - 10 lac E.) 10- 15 lac
F.) 15 – 25 lac G.) 25 - 50 lac H.) 50 - 75 lac I.) 75 lac and above

8. Maintaining a bank account?

- A.) Yes B.) No

9. i) If yes, in which investments you have invested your money.

- A.) Mutual Fund B.) Stock C.) Fixed Deposits D.) Recurring Deposit
E.) Public Provident Fund F.) Employee Provident Fund G.) National Pension System

9. ii) If No, why not so?

- A.) Due to lack of Awareness B.) Insufficient Income C.) Never think upon it

9. iii) Have you done any investment in last few years?

- A.) Yes B.) No

10. What is your experience and knowledge of investment instruments?

- A.) Use common banking products, such as current account or deposit account
B.) Experience and knowledge up to the level of hedge funds or money market mutual funds
C.) Experience and knowledge up to the level of bonds and mutual funds investing primarily in bonds
D.) Experience and knowledge up to level of mixture mutual funds
E.) Experience and knowledge up to the level of equities/equity mutual funds
F.) Experience and knowledge up to the level of exchange-traded derivatives

11. On which premise you have done your investment?

- A.) Return on investment B.) Liquidity C.) Time Horizon
D.) Budget E.) Average annual expense F.) Capital Growth

12. Purpose of an investment

- A.) Retirement B.) To make more money
C.) To earn a social status reputation D.) Capital Appreciation

13. How long have you been investing?

- A.) 1-3 years B.) 4-5 years C.) 6-10 years D.) above 10 years

14. How often do you invest?

- A.) Mostly B.) Rarely C.) Some times

INNOVATION LED TO THE GROWTH OF AUTOMOBILE COMPANY IN DELHI/NCR

Jatandeep Singh, Student GLBIMR

ABSTRACT

Now a days the number of sectors are going to the way of success and automobile sector also one of them .Area of the business also become in broad manner. In automobile sector number of companies are there, due to that competition is become tough each company using new sales strategy, designing new offers, different marketing strategies for product promotion and to capture all segments of consumer either it is related to working man or woman, college going boys or girls. So I will study the various marketing strategies adopted by these automobile companies. Main objective of this study to know how these company makes a perfect strategy to capture the market and there sales and distribution system of vehicles.

A.) The main objective is to analyze the marketing strategy of various automobile.

B.) To analyze the brand promotional tools and techniques used by these automobiles companies to increase there overall sales.

The research methodology of my project is descriptive research. The research design is characterized by flexibility in order to be sensitive to the unexpected and to discover insights not previously recognized. Data collected through primary and secondary sources i.e. from books, journals different magazines, newspapers, net, questionnaire, internet etc. There are many scopes of this study in the automobile sector. Today, Indian economy is growing very fast so demand of the automobile two wheeler vehicles is also going on pick. Customer service should be the be-all and end-all of sector.

LITERATURE REVIEW

Need and expectations of customer is changing regularly. Therefore, a company needs to understand the need of its customer and to design the product as per the expectations of its customers. There are various automobiles companies in the world market which are providing good quality products to its customers. Therefore, to promote the sales of the products and to increase the market share the automobile company are using various marketing techniques so as to increase their overall profitability. There are various marketing techniques which a company implements so as to increase its market share. Marketing Mix provides the basic marketing techniques, which is basically used to produce a new segment in the existing markets. Marketing Mix consists of basically four factors: -

i.) Price ii.) Product iii.) Promotion iv.) Place

Indian market is considered to be a very price sensitive market. And the automobiles companies prefer to do a proper market research before launching any product in the Indian Market. In Auto Expo 2008, Ratan TATA has announced the launch of its TATA 1 lakh car. And this is the world cheapest car, which has ever been designed and manufactured by any automobile company. In an interview given to ECONOMIC TIMES as on 11 January 2008 Ratan Tata says that" I think I would rather not look at it geographically. I would say: who might be the buyer of this small car? Let's start at the top. If I were to look in the United States or in Europe, in some of the garages you would have a Bentley or two Bentleys' or a high-end Mercedes, and you may find a Smart also in that same garage because that person thinks its a fun extra car to have. He may have four cars, but also have a Smart because he thinks it is cute.

Doesn't need it, but he may have it. Then you may have a person who needs a utilitarian form of transport. He is not looking for a lot of creature comforts; he wants to get around in a sensible way. Then you think of a person who is perhaps thinking of or owns an existing small car. And to him it makes sense to get it because it is more fuel efficient or its lower cost or whatever it may be. And then on the other side you have someone who aspires for a car which is beyond his reach. He doesn't have a car or he has a two-wheeler or a three-wheeler and this fills his needs. And then, this can come from anywhere in the country."

So basically the main aim behind pricing is to produce a different segment and to analyze the expectation of the customers. The product aspects of marketing deal with the specifications of the actual goods or services, and how it relates to the end-user's needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support.

Kotler suggest that a product should be viewed on the basis of: -

I) Core product II) Actual product III) Augmented product

As per Kotler theory, while placing a product in the market a company consider the its quality, design, Features and branding. Promotion includes advertising, sales promotion, publicity, and personal selling, branding and refers to the various methods of promoting the product, brand, or company. Marketing theory distinguishes between two main kinds of promotional strategy - "push" and "pull".

Push

A "push" promotional strategy makes use of a company's sales force and trade promotion activities to create consumer demand for a product. The producer promotes the product to wholesalers, the wholesalers promote it to retailers, and the retailers promote it to consumers. A good example of "push" selling is mobile phones, where the major handset manufacturers such as Nokia promote their products via retailers such as Carphone Warehouse. Personal selling and trade promotions are often the most effective promotional tools for companies such as Nokia - for example offering subsidies on the handsets to encourage retailers to sell higher volumes. A "push" strategy tries to sell directly to the consumer, bypassing other distribution channels (e.g. selling insurance or holidays directly). With this type of strategy, consumer promotions and advertising are the most likely promotional tools.

Pull

A "pull" selling strategy is one that requires high spending on advertising and consumer promotion to build up consumer demand for a product. If the strategy is successful, consumers will ask their retailers for the product, the retailers will ask the wholesalers, and the wholesalers will ask the producers. A good example of a pull is the heavy advertising and promotion of children's toys – mainly on television. Consider the recent BBC promotional campaign for its new pre-school programme – the Fimbles.

Aimed at two to four-year-olds, 130 episodes of Fimbles have been made and are featured everyday on digital children's channel CBeebies and BBC2. As part of the promotional campaign, the BBC has agreed a deal with toy maker Fisher-Price to market products based on the show, which it hopes will emulate the popularity of the Tweenies. Under the terms of the deal, Fisher- Price will develop, manufacture and distribute a range of Fimbles products including soft, plastic and electronic learning toys for the UK and Ireland. In 2001, BBC Worldwide (the commercial division of the BBC) achieved sales of £90m from its children's brands and properties last year. The demand created from broadcasting of the Fimbles and a major advertising campaign is likely to "pull" demand from children and encourage retailers to stock Fimbles toys in the stores for Christmas 2002.

Place Strategy is the element of a firm's decision-making concerned with developing an efficient and effective means of storing and handling finished products and of getting them efficiently to the target market.

In automobiles industry companies need to do proper analysis before launching any product in the market. And place plays a very important role in it.

EXECUTIVE SUMMARY

This project "Innovation led to the growth of automobile industry in Delhi/NCR" presents the study and market research of various automobiles companies and its customer feedback about them. In this project various customer two wheeler customers were personally approached to discuss the on road performance of there two wheeler and there preferred bike company. On the basis of various parameters the satisfaction level of customer were measured. And then various innovative techniques were discussed which led to the growth of automobile company in Delhi/NCR. These Innovative techniques were discussed with reference to the Hero-Honda and Bajaj.

On the basis of Marketing Mix, Pest Analysis, SWOT analysis & BCG matrix the product positioning of the Bajaj and Hero-Honda is analyzed in this project.

Various innovative techniques like organizing MTV Roadies, Passport program, new technologies & techniques of branding were also discussed in this project.

A questionnaire was prepared and randomly 100 customers were selected to measure the performance rating of there bikes. And the on the basis of the response from the customer the data was analyzed. And SPSS software is used to efficiently measure the correlation between the various factors.

AUTOMOBILE INDUSTRY IN INDIA: AN OVERVIEW

The automobile industry in India is the eleventh largest in the world with an annual production of approximately 2 million units. India is expected to overtake China as the world's fastest growing car market in terms of the number of units sold and the automotive industry is one of the fastest growing manufacturing sectors in India. Because of its large market (India has a population of 1.1 billion; the second largest in the world), a low base of car ownership (7 per 1,000 people) and a surging economy, India has become a huge attraction for car manufacturers around the world. Though several major foreign automakers, like Ford, GM and Honda, have their manufacturing bases in India, Indian automobile market is dominated by domestic companies. Maruti Suzuki is the largest passenger vehicle company, Tata Motors is the largest commercial vehicle company while Hero Honda is the largest motorcycle company in India. Other major Indian automobile manufacturers include Mahindra & Mahindra, Ashok Leyland and Bajaj Auto. The automotive industry directly and indirectly employs 13 million individuals in India. The industry is valued at about US\$ 35 billion contributing about 3.1% of India's GDP (nominal). India's cost-competitive auto components industry is the second largest in the world. In addition, India's motorcycle market is also the second largest in the world with annual sales of about 5 million units.

INDUSTRY STRUCTURE

The Indian two-wheelers Industry can be broadly classified as scooters, motorcycles and mopeds. The domestic two wheeler sales of 6.2mn in FY05 is constituted by these segments

In the last five years, the domestic two-wheeler industry has seen structural changes. This can be seen from the change in composition of two-wheeler sales, where the motorcycles have consistently gained market share from the scooter and moped segments to corner a share of 41% of total two-wheeler sales. This trend is expected to continue in the next two years till the four- stroke scooters make their presence felt in the segment.

The scooter market is dominated by 150cc vehicles from Bajaj Auto and LML, with the rest being served by 100cc variometric scooters from Kinetic Honda.

For scooters, northern India is the major market contributing nearly 46% of the total scooter sales. Western and southern India take up second and third position with 27.5% and 15.7% respectively.

For our calculations we consider TVS Scooty sales as part of scooter sales as given by Society of Indian Automobile Manufacturers (SIAM).

The Indian motorcycle industry can be broadly categorized in to Indian motorcycles and Indo- Japanese motorcycles. The Indo-Japanese motorcycle segment is dominated by Hero group, Bajaj and Escorts in collaboration with Japanese vehicle manufacturers Honda, Kawasaki and Yamaha respectively. The Indian motorcycles segment is dominated by Bajaj (M80), Escorts and Royal Enfield.

Turnover of Automobile Manufacturers	
YEAR	Rs (In Millions)
1999-00	422933
2000-01	492024
2001-02	499136
2002-03	595184
2003-04	661769
2004-05	835851

Source: - SIAM

In motorcycles sales, western region leads with a market share of 40% of the total motorcycle sales. South and north regions come second and third with a market share of 27.5% and 17.4% of total motorcycle sales respectively.

Western and southern region lead in three-wheeler sales with a contribution of 42% and 35.8% of total three-wheeler sales respectively.

In terms of two-wheeler vehicle population, Maharashtra stands first with a population of 2.96mn vehicles and Gujarat stands second with 2.64mn vehicles as on March 31st 1997. Tamil Nadu is the third largest state with 2.45mn two-wheeler population.

In terms of three-wheeler vehicle population Maharashtra stands first with a population of 0.39mn and Gujarat in the second place with 0.22mn as on March 31st 1997.

Penetration of Two-Wheelers

On a base of around 28mn vehicles on Indian roads and around 175mn households, there were only 160 motorized two-wheelers per thousand households in FY03. This compares poorly with countries like Thailand where it is around 600 per thousand households. Also with a household size of 5.5 persons and more than one wage earner in about 60% of the households, the potential for a second vehicle demand is also good.

The NCAER in its latest report on market demographics has clearly indicated that post- liberalization (ie FY92 to FY96) Indian households have graduated to higher income groups as can be seen in the table below. The number of households in the low income group has fallen since FY86 and has been more pronounced in the post-reform period. On the other hand, the number of households in the middle, upper middle and high income groups, which form the consumer base for two wheelers, have increased. Their share of the total number of households has increased from 10.6% in FY88 to 20.5% in FY96. The rising income profile has, however, been more pronounced in the urban areas as average annual growth in India.

Demand

The Indian two-wheeler industry has witnessed deep cyclical trends. A robust growth witnessed upto 1989, was followed by a severe recession upto FY93 and a strong recovery between 1993-

96. The industry then witnessed a slowdown since the second half of FY97 which continued upto FY99. Prospects in FY2000 have turned for the better once again with an overall revival in demand. Two-wheeler sales have increased from 0.37mn in FY80 to 1.85mn in FY90 at a CAGR of 17.4%. There after the industry suffered from drop in demand in 1991, 1992 and 1993.

In the 90's, the two-wheeler industry has performed extremely well especially after the automobile recession in 1992-93. In the period FY93-FY99 the two-wheeler industry has grown at a CAGR of 14.6%. This splendid growth was possible due to the above average performance of the motorcycle segment, which has grown at a CAGR of 24.3% compared to 11% for scooters and 8.6% for mopeds.

After lying low for two years, sales of two-wheelers bounced back to witness growth in FY99. In the period 01 the sales of two-wheelers has increased by 11.85% to 3.4mn. The trend has continued in FY2004 with the sector sales growing by 11% to 3.78mn vehicles. In the 2004-05 sale of two wheeler in percentage of share is 78.63.

The demand for two-wheelers in India is dependent upon factors like availability of finance, increase in income levels, restricted growth in public transportation and movement in petrol prices. Except petrol prices, all other factors have positive correlation with the demand for two- wheelers.

Two-wheelers are distinguished on different factors for different consumer segments. For eg, high powered two-wheelers have a niche market as racing/sporting vehicles and have a special appeal to youngsters. Easy maneuverability/handling ease is preferred by teenagers and women. Urbanites are lured by fuel efficiency and low maintenance. The lower end of the market looks for durability, value for money and higher resale value.

INTERNATIONAL SCENARIO

A two-wheeler is used as a personal/family vehicle or a goods carrier in the developing countries, whereas it is confined to sports/racing (heavy motorcycles) or short distance shopping (mopeds) in developed countries. The world two-wheeler market is dominated by Japan. Japanese manufacturers account for around 65% of the total two-wheeler production in the world. However, production within Japan has been declining due to lower domestic demand and shift in manufacturing base outside the country. Japan is also the world's largest exporter of two-wheelers in the world controlling around 75% of the world trade. Its major markets are China, USA and Europe. In terms of player positions, Honda Motors Corporation, Yamaha Motors and Suzuki Motors corporation share the top three slots in the world two-wheeler market. The table below shows the production and sales figures of motorcycles and scooters in Japan during the past decade.

MARKETING MIX

These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response.

PRICE

The price is the amount a customer pays for the product. The business may increase or decrease the price of product if other stores have the same product.

Premium Pricing.

Use a high price where there is a uniqueness about the product or service. This approach is used where a substantial competitive advantage exists.

Penetration Pricing.

The price charged for products and services is set artificially low in order to gain market share. Once this is achieved, the price is increased. This approach was used by France Telecom and Sky TV.

Economy Pricing.

This is a no-frills low price. The cost of marketing and manufacture are kept at a minimum. Supermarkets often have economy brands for soups, spaghetti, etc.

Price Skimming.

Charge a high price because you have a substantial competitive advantage.

However, the advantage is not sustainable. The high price tends to attract new competitors into the market, and the price inevitably falls due to increased supply. Manufacturers of digital watches used a skimming approach in the 1970s. Once other manufacturers were tempted into the market and the watches were produced at a lower unit cost, other marketing strategies and pricing approaches are implemented. Premium pricing, penetration pricing, economy pricing, and price skimming are the four main pricing policies/strategies. They form the bases for the exercise. However, there are other important approaches to pricing.

Psychological Pricing.

This approach is used when the marketer wants the consumer to respond on an emotional, rather than rational basis. For example 'price point perspective' 99 cents not one dollar.

Product Line Pricing

Where there is a range of product or services the pricing reflect the benefits of parts of the range. For example car washes. Basic wash could be \$2, wash and wax \$4, and the whole package \$6.

Optional Product Pricing.

Companies will attempt to increase the amount customer spend once they start to buy. Optional 'extras' increase the overall price of the product or service.

Captive Product Pricing

Where products have complements, companies will charge a premium price where the consumer is captured.

Product Bundle Pricing.

Here sellers combine several products in the same package. This also serves to move old stock.

Promotional Pricing.

Pricing to promote a product is a very common application. There are many examples of promotional pricing including approaches such as BOGOF (Buy One Get One Free).

Geographical Pricing.

Geographical pricing is evident where there are variations in price in different parts of the world.

Value Pricing.

This approach is used where external factors such as recession or increased competition force companies to provide 'value' products and services to retain sales.

Hero Honda adopt a highly systematised and efficient penetration strategy. Accordingly, products can, in keeping with the demands of the marketing climate at large that it operates in, be brought down to low prices. But as the present state of its brand as well as its consistently healthy performance shows the company has not been compelled to adopt this strategy with a view to securing the largest market share. This strategy holds importance only when the product can be put under the fabric 'price- sensitive', there appears to be considerable scope for strong competition, and the company's unit manufacturing costs go down within the company's scale of production and accumulated manufacturing experience.

manufacturing costs go down within the company's scale of production and accumulated manufacturing experience. The prices of Hero Honda are quite high in comparison to the prices of products of other companies, i.e. CBZ and Passion, its products 62,000 and 45,000 respectively. It is because of the high quality of its products that the company has not only maintained but enhanced its sale in spite of high prices of its products.

Now the brand name of Hero Honda is well established in the market, and this adds another dimension to the booming success of its products.

Bajaj Auto adopted a rapid penetration strategy. This strategy consists of launching the product at a low price and promises to bring about the fastest market penetration and the largest market share. This strategy makes sense when the product is price-sensitive, there is strong potential competition, and the company's unit manufacturing costs fall within the company's scale of production and accumulated manufacturing experience.

The prices of Bajaj Auto products like Chetak and Calibre are quite low in comparison to the prices of other market players of the products of cost. So, Bajaj Chetak and Calibre Rs. 23,930 and Rs. 44,000 respectively but the market is not picking up as expected even when the prices of Bajaj products are less than those of Hero Honda, its biggest competitors.

Bajaj Auto with its lower price wanted to capture the market by making its product available at maximum number of outlets at possible.

As the brand name of Bajaj Auto is well established in the market, the launch of two-wheelers by the name of Bajaj Chetak and Bajaj Calibre as well as keeping the prices low, it was aimed to target to the maximum level of people, especially the people who are very much price sensitive.

Bajaj Auto follows differentiation pricing route. Differentiated pricing is one in which companies charge different prices for the same product in different zones/areas of the market. Sometimes the differentiation in pricing is made on the basis of customer class rather than market territory differentiation.

PLACE

There are six basic 'channel' decisions:

- Do we use direct or indirect channels? (e.g. 'direct' to a consumer, 'indirect' via a wholesaler).
- Single or multiple channels.
- Cumulative length of the multiple channels.
- Types of intermediary (see later).
- Number of intermediaries at each level (e.g. how many retailers in Southern Spain).
- Which companies as intermediaries to avoid 'intrachannel conflict' (i.e. infighting between local distributors).

Selection Consideration - how do we decide upon a distributor?

- Market segment - the distributor must be familiar with your target consumer and segment.
- Changes during the product life cycle - different channels can be exploited at different points in the PLC e.g. Foldaway scooters are now available everywhere. Once they were sold via a few specific stores.
- Producer - distributor fit - Is there a match between their policies, strategies, image, and yours? Look for 'synergy'.
- Qualification assessment - establish the experience and track record of your intermediary.
- How much training and support will your distributor require?

Types of Channel Intermediaries.

There are many types of intermediaries such as wholesalers, agents, retailers, the Internet, overseas distributors, direct marketing (from manufacturer to user without an intermediary), and many others. The main modes of distribution will be looked at in more detail.

1. Channel Intermediaries - Wholesalers

- They break down 'bulk' into smaller packages for resale by a retailer.
- They buy from producers and resell to retailers. They take ownership or 'title' to goods whereas agents do not (see below).
- They provide storage facilities. For example, cheese manufacturers seldom wait for their product to mature. They sell on to a wholesaler that will store it and eventually resell to a retailer.
- Wholesalers offer reduce the physical contact cost between the producer and consumer e.g. customer service costs, or sales force costs.
- A wholesaler will often take on the some of the marketing responsibilities. Many produce their own brochures and use their own telesales operations.

2. Channel Intermediaries - Agents

- Agents are mainly used in international markets.
- An agent will typically secure an order for a producer and will take a commission. They do not tend to take title to the goods. This means that capital is not tied up in goods. However, a 'stockist agent' will hold consignment stock (i.e. will store the stock, but the title will remain with the producer. This approach is used where goods need to get into a market soon after the order is placed e.g. foodstuffs).
- Agents can be very expensive to train. They are difficult to keep control of due to the physical distances involved. They are difficult to motivate.

3. Channel Intermediaries - Retailers

- Retailers will have a much stronger personal relationship with the consumer.
- The retailer will hold several other brands and products. A consumer will expect to be exposed to many products.
- Retailers will often offer credit to the customer e.g. electrical wholesalers, or travel agents.
- Products and services are promoted and merchandised by the retailer.
- The retailer will give the final selling price to the product.
- Retailers often have a strong 'brand' themselves e.g. Ross and Wall-Mart in the USA, and Alisuper, Modelo, and Jumbo in Portugal.

4. Channel Intermediaries - Internet

- The Internet has a geographically disperse market.
- The main benefit of the Internet is that niche products reach a wider audience e.g. Scottish Salmon direct from an Inverness fishery.
- There are low barriers low barriers to entry as set up costs are low.
- Use e-commerce technology (for payment, shopping software, etc)
- There is a paradigm shift in commerce and consumption which benefits distribution via the Internet

Hero Honda stands out as one of the most reputed names in the two-wheeler industry. With its newly launched brands such as CBZ and passion, as well as its ever soaring sale, the company has earned an enormously vast niche for itself in the Indian market.

The basic strategy of this company rests on its skilled, all-pervasive distribution network spread out in every corner of the country. It has short rooms in almost all the big and small cities over the landscape of India.

Like Bajaj Auto, its products have got a considerable grasp over the grassroots. However, inspite of the fact that it is a comparatively new players in the booming oligopolitic two-wheeler market, the range of its popularity and accessibility to the masses has been enormous. This has been largely possible due to the efficient corporation and assistance, it has been able to drive from its distribution.

Bajaj Auto has been in two-wheeler business for last many decades, but it has introduced its Calibre brand just recently to match with the Competitors product.

Caliber is a very well established brand in India today. What it was introduced in India by its present name it was quite easy to market it in difficult places.

The Company is strategy is to cover as many outlets as possible, so that their product is easily available to the consumer.

The management has spared to effort in spreading its distribution from the rural grassroots to the urban lads including teen-agars, College – going students (both girls and boys) as also officials and professional working in different corners of towns, suburbs, as well as the vast spread of metropolitan and megapolitan cities.

The company has got different distributors for different brands and products. The company follows area wise distribution system i.e. for different areas there are different distributors.

PROMOTION

1. Personal Selling.

Personal Selling is an effective way to manage personal customer relationships. The sales person acts on behalf of the organization. They tend to be well trained in the approaches and techniques of personal selling. However sales people are very expensive and should only be used where there is a genuine return on investment. For example salesmen are often used to sell cars or home improvements where the margin is high.

2. Sales Promotion.

Sales promotion tend to be thought of as being all promotions apart from advertising, personal selling, and public relations. For example the BOGOF promotion, or Buy One Get One Free. Others include couponing, money-off promotions, competitions, free accessories (such as free blades with a new razor), introductory offers (such as buy digital TV and get free installation), and so on. Each sales promotion should be carefully costed and compared with the next best alternative.

3. Public Relations (PR).

Public Relations is defined as 'the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics' (Institute of Public Relations). It is relatively cheap, but certainly not cheap. Successful strategies tend to be long-term and plan for all eventualities. All airlines exploit PR; just watch what happens when there is a disaster. The pre- planned PR machine clicks in very quickly with a very effective rehearsed plan.

4. Direct Mail.

Direct mail is very highly focused upon targeting consumers based upon a database. As with all marketing, the

potential consumer is 'defined' based upon a series of attributes and similarities. Creative agencies work with marketers to design a highly focused communication in the form of a mailing. The mail is sent out to the potential consumers and responses are carefully monitored.

5. Trade Fairs and Exhibitions.

Such approaches are very good for making new contacts and renewing old ones. Companies will seldom sell much at such events. The purpose is to increase awareness and to encourage trial. They offer the opportunity for companies to meet with both the trade and the consumer. Expo has recently finish in Germany with the next one planned for Japan in 2005, despite a recent decline in interest in such events.

6. Advertising.

Advertising is a 'paid for' communication. It is used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market. There are many advertising 'media' such as newspapers (local, national, free, trade), magazines and journals

Advertising strategy of Hero-Honda

i) The basic characteristics of promotion strategies adopted by Hero Honda can be had in its emphasis on advertisements through various channels. These channels which have a comparatively more effective base of viewer ship are targeted in the first place.

ii) Hero Honda has roped in film actor Hrithik Roshan, Captain of Indian Cricket team Sourav Ganguly, Mohammad Kaif, Harbhajan Singh, Zaheer Khan, Yuvraj Singh and Virender Sehwag as its brand ambassadors.

They will endorse the company products, attend corporate and brand events and help promote its "We Care" campaign comprising safety riding, environment and friendliness.

The Company has lift now stone unturned to get Zonal and regional offices, show rooms and outlets set up at every place with a potential consumer base.

7. Sponsorship.

Sponsorship is where an organization pays to be associated with a particular event, cause or image. Companies will sponsor sports events such as the Olympics or Formula One. The attributes of the event are then associated with the sponsoring organization. The elements of the promotional mix are then integrated to form a unique, but coherent campaign.

As one of the two-wheeler giants of India, the company is poised to take new strides in order to promote its products like CBZ and Passion.

The essential objective of its promotion strategies is to bring to products to host of consumers with ease, perfection and at comparatively low and affordable costs. Distinguished in its fuel efficiency attributes, the company is willing to target those consumers particularly who are likely to be swept off their fact by price factors and more appearance.

Bajaj Auto is one of the largest manufacturers of two-wheeler in India. To get a greater market share it has introduced its calibre brand. They use extensive promotional techniques like Broadcast Media, Sales Promotion, Demonstrations, Point of Purchase (POP) display.

In all this, the company has successfully shown that it believes in delivering the best products to the consumer.

Today the company has emerged as the market leader in the two-wheeler industry. The company believes in pull strategy. The pull strategy involves those marketing activities which are designed at end users. The purpose is to induce the intermediaries to order the product from the manufacturer.

Promotional Strategies: - BAJAJ AUTO

- Hoardings : This is one of main promotional tools of Bajaj Auto. They have installed their hoardings on highways, electric poles etc.
- Advertising : The company has, over the last few years, spent a lot on advertising in leading newspapers and media channels including the electronic media channels.
- The Company is giving more emphasis on opening new outlets at various places by keeping the tastes and preferences of the customers in mind. They are also trying to give more emphasis on the customer service at their outlets.
- Bajaj Auto is introducing new outlets these days, keeping in mind that its different products including Calibre are demonstrated by colourful lights or other attractive hoarding to make the place attractive.

PRODUCT

The CORE product is NOT the tangible, physical product. You can't touch it. That's because the core product is the BENEFIT of the product that makes it valuable to you. So with the car example, the benefit is convenience i.e. the ease at which you can go where you like, when you want to. Another core benefit is speed since you can travel around relatively quickly. The ACTUAL product is the tangible, physical product. You can get some use out of it. Again with the car example, it is the vehicle that you test drive, buy and then collect. The AUGMENTED product is the non-physical part of the product. It usually consists of lots of added value, for which you may or may not pay a premium. So when you buy a car, part of the augmented product would be the warranty, the customer service support offered by the car's manufacture, and any after-sales service.

The Hero Honda models is being increasingly used by youngsters / bachelors in urban areas and by rural folk as a study means of personal transportation. It's models attracts youngsters and higher income group.

The company is launching new products to keep face with the competitive market. Being the market leader in the scooter industry the company wants to establish the same position in the motorcycle market. The company attracts its models to lower income group by its technical specifications.

INNOVATIVE TECHNICHS

ROCK IDOLS ADVERTISEMENT

This particular advertisement lacks colour and is very dull. Although this ad is meant for the youth, it lacks the ability to attract their attention. It covers a lot of space, which is a plus point for this advertisement, as size of the ad matters as well, but the fact that Hero Honda is the sponsor of this event goes unnoticed. Overall, an ad which will probably not be retained in the mind of customers.

HERO HONDA SPORTS AWARDS

It is very eminent from this particular ad that Hero Honda is the main sponsor for this event. The most important negative aspect of this ad is that it is in black and white, and thus does not catch one's immediate attention. It does not have the stopping, locking or the pulling powers, nor does it draw much attention towards the event Hero Honda is sponsoring.

HERO HONDA ROADIES

This is one ad which people will like, specially the youth for which it is also meant. It is very colorful, and includes film

personalities with which the youth can identify themselves .It provides information people will be looking for, and also has a lot of appeal and innovation. Overall an effective advertisement.

Most of these sponsorship ads of Hero Honda lack appeal and the presentation is quite dull, uninspiring and unattractive. The fact that Hero Honda is the main sponsor should be made very clear and its name should also be mentioned at the very top. People may not pay much attention to these ads as the do not have the pulling power and lacks innovation.

This is a very colorful and lively ad. The message has been made very clear and a lot of vibrant and lively colours have also been used. The ad has a lot of appeal for all categories of people, even for people not owning Hero Honda bikes. It covers a lot of space and is eye catching, attractive and effective. It covers all the benefits of being a proud owner of a Hero Honda and makes one want to own it too.

This advertisement is a better one as compared to some other hero honda advertisements it has been light by the people too. It covers a lot of space and quite colorfull it also has the information regarding distributin outlets. this advertisement also provides information about the expanding customer base of hero honda and about the special scheme launched by them in collaboration with relaince infocomm. Due this fact overall it is satisfying advertisement, moderate in presentation, yet quite nice and appealing. These advertisements are rated by the 160 respondents through use of questionnaire no.1 on 10 factors that are innovation, attartiveness, effectiveness, retention, appeal, distribution network information, message, technical context, colour combition.

PUBLIC RELATION (PR)

It involves a variety of programs designed to promote or protect a company's image or its individual products. wise company takes concrete steps to manage successful relationship with it key polices. PR has to an added advantage which leads to assistance in the launch of new products or repositioning of a mature product .it even influence specific target groups and building up of cooperate image in a way that reflects favorably on its product. Hero Honda as one of the conscious company in this context. Hero Honda regularly performs a lot of functions and has a good corporate image in the public through effective PR exercise Hero Honda have managed to enter the minds of prospective customer.

The have taken all necessary exercise like.

A.) PRESS RELATION:

Hero Honda regularly issues press release containing news and information about organization in the most positive light.

B.) PRODUCT PUBLICITY

1. Sponsoring a number of events in intent of the public like Hero Honda, Zee Telefilms-India's Best, ICC Mini World Cup one of the 4 sponsors.

2. Events like Rock Idols, MTV Roadies, and Hero Honda Awards. In the present scenario PR, marketing promotion has be merged and no longer exit isolated because even promotion scheme and advertisement helps in building up the corporate image of the company. Hero Honda has a number of TOM advertisement and effective promotional scheme.

3. Advertisement (various media type the TV and print etc) Dash Ki Dadkan in this particular ad Hero Honda aims to influence and target the nerves of Indians and build a relation with Hero Honda and true Indians people. Other like CD Dawn public ka naya transport and Pankaj Kapoor's advertisement of spendor + aim to target specific audience /customer/public and also go for heavy endorse advertisements like Hrithik Roshan , Sehwaq, Harbhajan Singh, etc .

4. Promotional Schemes A number of them to influence specific target group depending even upon the time and situation like festivals etc. passport scheme, Koi Mil Gaye, Rs.1001 financial scheme, free 2 roam scheme, karizma cost cutting 69,900 these promotional scheme are assisting in building up a good corporate image. Hero Honda even make short term alliance with a few companies to promote it's own specific product like Hero Honda has made a short term pact with reliance Indian mobile to launch free 2 rooms scheme. Hero Honda regularly dose so to have an effective promotion and PR exercise through effective PR they have managed to enter the minds of prospective customers.

CUSTOMER – CENTRIC

The Company's success has been driven by customer centric policies and teamwork to achieve progress and productivity. The philosophy of Hero Honda emphasizes the "Pursuit of Excellence" in designing and manufacturing technologically and qualitatively superior products and in creating economic value for its stakeholders. It takes care of its customers through value based competitive pricing and good after sales service. Excellent marketing, finance and loan services, an efficient dealer network, tactical promotion comprising of fuel conservation campaigns, mobile workshops, safety driving courses and others, all placed Hero Honda in a league distinct from the conventional. The Company focuses on providing "Value for Money" through its pricing strategies and after sales services.

EXCELLENT COLLABORATOR RELATIONSHIP

Hero Honda is now the leading two-wheeler Company in India in terms of net sales (sales less excise duty value, which was Rs 3171 crores. It is both the leading two wheeler manufacturer and sales operation among Honda's worldwide operations. The Company has maintained excellent relationship with all stakeholders including its collaborators. Hero Honda has emerged as the most successful joint venture Company of Honda in the world, their relationship over 116 years old now.

ERP IMPLEMENTATION

The Hero-Honda has successfully implemented SAP R/3 (ERP Program – "Project Synergy") thereby enabling proper planning and company wide efficiency. The modules were implemented and stabilized in a record 10 months period. It speaks of the commitment of the management and the implementation team towards making it processes accountable and efficient.

GROWTH MODELS

The Hero Group through the Hero Cycles Division was the first to introduce the concept of just-in- time inventory. The Group boasts of superb operational efficiencies. Every assembly line worker operates two machines simultaneously to save time and improve productivity. The fact that most of the machines are either developed or fabricated in-house, has resulted in low inventory levels. In Hero Cycles Limited, the just-in-time inventory principle has been working since the beginning of production in the unit and is functional even till date. The raw material vendors bring in the goods get paid instantly and by the end of the day the finished product is rolled out of the factory. This is the Japanese style of production and in India, Hero is probably the only company to have mastered the art of the just-in-time inventory principle.

ANCILLARISATION

An integral part of the Group strategy of doing business differently was providing support to ancillary units. There are over 300 ancillary units today, whose production is dedicated to Hero's requirements and also a large number of other vendors, which include some of the better-known companies in the automotive segment. The Munjals have gone much beyond the conventional definition of ancillarisation, making it a point to extend technical and managerial support to these ancillaries.

EMPLOYEE POLICY

Another Striking feature within the Hero Group is the commitment and dedication of its workers. There is no organized labour union and family members of employees find ready employment within Hero. The philosophy with regard to labour management is "Hero is growing, grow with Hero." When it comes to workers' benefits, the Hero Group is known for providing facilities, further ahead of the industry norms. Long before other companies did so, Hero was giving its employees a uniform allowance, as well as House Rent Allowance (HRA) and Leave Travel Allowance (LTA). Extra benefits took the form of medical check-ups, not just for workers, but also for the immediate family members.

DEALER NETWORK

The relationship of the Munjals with their dealers is unique in its closeness. The dealers are considered a part of the Hero family. A nation-wide dealer network comprising of over 5,000 outlets, the Munjals have a formidable distribution system in place. Sales agents from Hero travels to all the corners of the country, visiting dealers and send back daily postcards with information on the stock position that day, turnover, fresh purchases, anticipated demand and also competitor action in the region. The manufacturing units have a separate department to handle dealer complaints and problems and the first response is always given in 24 hours.

FINANCIAL PLANNING

The Hero Group benefits from the Group Chairman's financial acumen and his grasp on technology, manufacturing and marketing. Group Company, Hero Cycles Limited has one of the highest labour productivity rates in the world. In Hero Honda Motors Limited, the focus is on financial and raw material management and a low employee turnover.

CONSOLIDATED FAMILY BUSINESS

The Hero Group is a strong family runs business - there is no other Group that has so successfully managed to stay together for over 45 years. The system is to bring in any new family member, coming of age, within the fold of the existing business or set him up in a new business. The third generation is already actively involved in existing as well as the new initiatives within the Group. The Group's future is being consolidated with the same zeal by the second and the third generations of the family, aided by workers who typify the hardy spirit of the Punjab.

DIVERSIFICATION

Throughout the years of mammoth growth, the Group Chairman, Mr Lall has actively looked at diversification. A significant level of backward integration in its manufacturing activities has been

substantial in the Group's growth and led to the establishment of the Hero Cycles Cold Rolling Division, Munjal and Sunbeam Castings, Munjal Auto Components and Munjal Showa Limited amongst other component-manufacturing units. Then there were the expansion into the automotive segment with the setting up of Majestic Auto Limited, where the first indigenously designed moped, Hero Majestic, went into commercial production in 1978. Then came Hero Motors, which introduced Hero Puch, in collaboration with global technology leader Steyr Daimler Puch of Austria. Hero Honda Motors was established in 1984 to manufacture 1000 cc motorcycles.

The Munjals also took a foray into other segments like exports, financial services, information technology, which includes customer response services and software development. Further expansion is expected in the areas of Insurance and Telecommunication.

TARGETING POTENTIAL SEGMENTS

With the 2-stroke Max of TVS offering little competition the stripped down version of Joy, re- launched as Dawn, has got off to a good start and is second next to Bajaj Boxer in the utility category. The rapid growth in this utility category or entry-level segment should see HHML gaining a strong hold with its Dawn.

SAVINGS ON MATERIAL COSTS THROUGH LOCALIZATION DRIVE

Through increased use of indigenous parts, HHML has been able to cut down on costs significantly. The imported raw materials and components account for 8.77% of the total consumption as compared to 19.25% last year. It is estimated that the company saves more than Rs 600 / vehicle in raw material costs.

STRONG BRAND EQUITY

Splendor continues to be the largest selling motorcycle in the world and contributes to around 65% of the company's top line by virtue of its brand. The sheer strength of this brand has been instrumental in taking on the new products from rivals and keeping the top line ticking even when the company received a setback with the launch of Joy.

COMPETITIVE POSITIONING

The motorcycle segment has occupied the top position in the two-wheeler industry, accounting for 70% of its volumes. With the scooter segment growing at a declining pace, this segment has witnessed a spate of new product launches in the last one year. As a result HHML's Splendor for the first time witnessed a volume growth lower than that of the market.

a) UTILITY SEGMENT

Market growth has started shifting towards entry level (below Rs 40,000) where HHML is weak. The recently Dawn launched to target the entry segment, is second next to Bajaj Boxer, but far behind. Boxer sells around 50,000 per month as against 14,000 for Dawn.

b) EXECUTIVE SEGMENT

Competition is intensifying for HHML's bread butter models, Splendor and Passion as TVS Victor, the first serious competition, is already selling more than 32,000 per month.

c) PREMIUM SEGMENT

Performance has been modest for HHML in this segment. In this premium segment Bajaj Pulsar sells more than 13,000 per month where as HHML's CBZ does 2500 – 3000 per month. While the company has a 200-plus cc bike in its pipeline, it is also contemplating a third plant at Rs 2.5bn in the South during the 2003.

HEAVY ADVERTISEMENTS AND PROMOTIONS

Hero Honda has a number of TOM advertisement and effective promotional scheme. PR, marketing promotion has been merged and no longer exit isolated because even promotion scheme and advertisement helps in building up the corporate image of the company. Koi Mil Gaye, Rs. 1001 financial scheme, free 2 roam scheme, karizma cost cutting 69,900 these promotional scheme are assisting in building up a good corporate image.

DISTRIBUTION NETWORK

BAJAJ Auto is to unveil its first business-to-consumer portal ,Kawasakieliminator.Com , in January this year. Motorcycle enthusiasts would be able to place orders for the bike with the manufacturer who will then involve the local dealer to complete the sale.

The most ambitious feature of the tentatively named Riderszone is that it will be a neutral site. That is, all manufacturers are expected to participate. Since this is the first time an Indian maker is going for a cruiser bike, there is considerable interest in the high-end, premium, bike segment. The site will provide information about the bike and allow the enthusiast to get the full feel of the product. The motorcycle will be launched in urban centres with a high internet usage pattern besides a history of buying lifestyle products. The initial launch is in Pune, followed by Mumbai, Delhi, the Punjab and Bangalore, in a high priced, niche segment.

The site is expected to add features like hire purchase and much later, second-hand vehicles. For its financing needs, Bajaj Auto Finance has already been tied in. BAFL is also expected to roll out to more cities from the next financial.

TARGETING RURAL INDIA

The two- and three-wheeler major Bajaj Auto to step on the gas in rural Bharat.

And why not. With vehicle - two- and four-wheeler - penetration at 40-45% of households in most metros, mini metros, and emerging metros, the next wave of growth has to come from rural India, where it is currently as low as 7%. As a strategy, the company is segregating rural market from urban.

In the first phase, it will be setting up 20 outlets in affluent, but severely under penetrated, rural districts, by March, 2007. Special schemes and financial products suited for the rural market will be launched. Bajaj's non-banking financial arm, Bajaj Auto Financial Ltd (BAFL), is expected to play a key role here. The strategy of having exclusive

rural dealers has met with reasonable of success. In Nashik, for example, the company earlier had two outlets, both in the city, and barely a kilometer away from each other. It closed down one, and opened another one 35 km away from the city. Result: Both outlets are catering to exclusive catchments area and are closer to their customers. A rural customer no longer needs to travel to the city to buy or service his two-wheeler. Bajaj is setting up 10 high-end motorbike showrooms - Probiking Centers - over the next 6-8 months.

Strategic Innovations (Internal Techniques)

The strategies of Hero Honda involves :

- Process control quality
- Self-inspection
- Defect prevention through
- Not to receive defective parts
- Not to produce defective parts
- Repenting the human potential though
- Quality circles
- Suggestion Schemes

RELATIVE MARKET SHARE

A business must be a customer satisfying process, not a goods producing process. Identification of various companies' strategic business unit is required to develop separate strategies and assign appropriate funding. More analytically we use BCG approach of portfolio evaluation. In the given growth share matrix graph the location of each SBU indicates the market growth rate and relative market share.

1. QUESTION MARK

SBU that operate in high growth market but have3 low relative market shares. Splendor125 of Hero Honda motor land in this segment with a great potential to move in the star segment.

Suggested strategies:

- Pricing may be low penetration pricing to build market share rapidly.
- Promotion aimed at innovation and early adopter. Market communication seeks to build product awareness to educate potential customer about product.
- Differentiation in the category to have competitive advantage

2. STARS

Market leader in high growth market. Kaizma, CD dawn, both one weak stars as they have low relative market share although having high growth market. CD dawn lacks style looks and valued difference. Kaizma approached the customer with high skim price but that too didn't workout so Hero Honda use lowered the price to penetrate and increase the market share. Substantial funds one required in skin stage to keep up with high market growth, and to fight off competition attacks.

Suggested strategies:

- In the customer value hierarchy, Hero Honda should more toward presenting its customers an augmented product. At this level, product must exceed customer expectation and this is a voluntary improvement brought in order to evaluate the value of the product.
- Pricing can be maintained as at this style a firm enjoys increasing demanded.

- Distribution channel must be made effective as do to cope up with the increase.
- Promotion should be aimed at a broader audience high emphasis on added benefit valued difference.

3. CASH COWS

There are stars with a falling growth rate that still have the target relative market share and product a lot of cash for the company. Passion + , Splendor + are strong cash cow while CBZ in weak cash cow.

Suggested strategies:

- Not much finance expansion because market 's growth rate has slowed.
- Company need to pump money back put CBZ with some additional feature implored to retain and increase the market share.
- Differentiation is must i.e. a complex wed of valued difference character the entity but Hero Honda must keep in mind that the difference must be important /valued by customer, distinctive, superior, pre-emptive, affordable and profitable.
- Pricing may be lowered because of new competition.
- Distribution should be more intensive of intensive might be offered to economy and preference over competitor product.

4. DOGS

SBU having weak marketing share in low growth market number of the Street, Sleek, CD 100, CD 100SS etc in such a stage, market is striking, reducing the overall and of profit. At this stage great care has to be taken to manage the product carefully. It may be possible to take out some production cost, to transfer production to cheaper facilities, sell product into other, cheaper market. Care should be taken to control the amount of stock of product. Ultimately, depending on whether the product remain profitable a company may decide to end the product.

Suggested strategies:

- Maintain the product, possibly rejuvenating it by adding new features and finding new uses lump in the PLC of CD100SS and Joy can still be created with some differentiation.
- Harvest the product is a reduce cost and continuous to offer it, pushing to a loyal niche segment. Street, Sleek has already been harvested off and no longer exits in the production.
- Discontinuous the product liquidating remaining inventory or selling it to another firm that is willing to continuous the product. Such a firm can be identified who want to continuous the product and hero Honda and sell off a few SBU's the dog

PEST ANALYSIS

A PEST analysis is an analysis of the external macro-environment that affects all firms. P.E.S.T is an acronym for the political, Economic, Social and Technological factors of the external macro environment. Such external factors usually are beyond the firm's control and sometimes present themselves as threats. For this reason, some says that "PEST" is an appropriate term for these factors. However, changes in the external environment also create new opportunities and the letters sometimes are rearranged to construct the more optimistic term of STEP analysis.

Many macro environmental factors are country specific and a PEST analysis will need to be performed for all countries of interests.

PEST analysis is very important that an organization considers its environment before beginning the marketing process. In fact, environmental analysis should be continuous and feed all aspects of planning. The organization's marketing environment is made up from:

1. The internal environment e.g. staff (or internal customers), office technology, wages and finance, etc.
2. The micro-environment e.g. our external customers, agents and distributors, suppliers, our competitors, etc.
3. The macro-environment e.g. Political (and legal) forces, Economic forces, Socio-cultural forces, and Technological forces. These are known as PEST factors.

PEST ANALYSIS OF THE TWO WHEELER INDUSTRY

POLITICAL/LLEGAL FACTORS

The excise duty on two-wheelers, which previously ranged between 10% to 30%, according to the engine capacity was rationalized in 1991-92 budget to only two-categories viz. 15% up to 75cc and 25% above 75cc. This mainly affected manufacturers of 100cc category in the early nineties. Since then the excise duty structure for two-wheelers has been left unchanged till 1999. In the 1999-2000 budgets, due to rationalization of duty structure the excise duty up to 75cc vehicles was increased to 16% while for those above 75cc decreased to 24%. As a result, scooter prices were reduced by Rs 200-400 per vehicle. The components used for manufacturing two-wheelers are charged an excise duty of 15%. The industry has been asking GOI to reduce this excise duty to 10%. The price of the two-wheelers varies across the country due to variation in registration charges, state taxes and octroi levied by the states. The Government of India (GOI) wants the automobile industry to achieve a major improvement in emission levels in two steps. The first milestone was achieved by applying stringent norms applicable from April 1, 1996. This confirms to Euro I standards. The second hurdle has been set with a dead line of April 1, 2000, which confirm to Euro II norms.

The GOI controls availability and price of petrol, the fuel for two-wheelers. But with the dismantling of Administered Price Mechanism (APM), the cross subsidy provided by high petrol prices is expected to come down leading to reduction in petrol prices in the country. This will reduce the running cost per km for two-wheelers and have positive impact on demand.

The availability of unleaded petrol across the country will be a crucial factor, as catalytic converters (used to confirm Y2K norms) work satisfactorily only under unleaded petrol. Therefore GOI, which controls distribution of petroleum products in the country, has to take speedy measure, so as to enhance the availability of unleaded petrol across the country by April 2000.

Government policy impact on petrol prices: Petrol prices determine the running cost of two/three wheelers expressed in Rupees per kilometer. Petrol prices are the highest in India as GOI subsidizes kerosene and diesel. But with the recent change in GOI policy to reduce the subsidy, the prices of petrol will remain constant at the current prices. This will have a positive effect on purchases on two/three wheelers.

Opening up of the Indian two-wheeler industry to international players –Honda, Suzuki and Yamaha of Japan and Piaggio of Italy. Foreign equity collaboration was allowed.

Reduction in custom tariffs on imported components as well as excise concessions to fuel-efficient vehicles up to 100cc.

ECONOMIC FACTORS

The improvement in Asian market is expected to improve the two-wheelers exports in the year 2006 and grow by 8% till end of 2006. This will lead to exports of 0.1million two-wheelers in 2005 to 0.11million in 2006.

Improvement in disposable income: With the increase in salary levels, due to entry of multinationals following liberalization process and fifth pay commission, the disposable income has improved exponentially over the years. This will have a multiplier effect on demand for consumer durables including two-wheelers. This is already witnessed in improved demand for 2-wheelers in 2005 compared to a meager growth in 2003.

Changes in prices of second hand cars: The second hand car prices of small cars have come down sharply in the recent past. This will shift the demand from higher end two-wheelers to cars and affect the demand for two-wheelers negatively.

A further drop in second hand car prices will lead to pressure on the two-wheeler majors who plan to release higher end scooters and motorcycles.

Availability of credit for vehicle purchase: The availability and cost of finance affects the demand for two and three-wheelers as the trend for increased credit purchases for consumer durable has increased over the years. Therefore any change with respect to any of these two parameters as a result of change in RBI policy has to be closely watched to assess the demand for two and three wheelers.

SOCIO-CULTURAL FACTORS

A deteriorating public transport system.

A growing middle class and increasing demand for two wheelers in small towns and rural areas. Teenagers and women prefer easy maneuverability/handling ease. Urbanites are lured by fuel efficiency and low maintenance. The lower end of the market looks for durability, value for money and higher resale value. The demand for scooters is price sensitive compared to motorcycles. Customer preference towards fuel-efficient and aesthetics has increased, leading to higher growth in sales of premium end scooters. This has induced the companies to bring in new models in this segment, to help in obtaining better realization. The major beneficiary from this trend had been LML, which has a dominant position in premium scooters segment. Implementation of mass transport system: Many states have planned to implement mass transport systems in state capitals in the future. This will have negative impact on demand for two-wheelers in the long run. But taking into account the delays involved in implementation of such large infrastructure projects, we expect the demand to be affected only five to seven years down the line.

TECHNOLOGICAL FACTORS

For the two-wheelers new emission norm for year 2005 will be an acid test as none of the present models except four stroke vehicles confirm to the norms. To full-fill emission norms the manufacturers have three options: to switch to four-stroke engines, to fit catalytic converters for the existing models, to improve upon the existing two-stroke engine. The temporary option for overcoming emission norms is to fit the catalytic converters, this will increase the cost of vehicles. But as a long-run solution scooter manufacturers have to opt for four-stroke engines or improvement in two stroke engines. The Indo-Japanese motorcycle segment will be able to overcome emission norms with the technology help of respective Japanese collaborator. The Indian motorcycles have to either shift to four-stroke technology or make use of catalytic converter. But this will reduce the price difference between Indian and Indo-Japanese motorcycles, reducing the price advantage of Indian motorcycles. The mopeds segment will be badly affected due to Y2K emission norms, as none of the existing moped models confirm to the specifications. With the deadline nearing, the moped manufacturers have to tighten the belt to meet the norms.

SWOT ANALYSIS

STRENGTHS	WEAKNESS	OPPORTUNITIES	THRETS
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Weaknesses

- Infrastructure Bottlenecks
- Perception about Quality

Opportunities

- Huge Export Markets (Europe ,America ,Africa etc) for Indian two wheelers

Threats

- China, Malaysia, Thailand etc.
- Growing of four wheeler segment is also a big threat to the two wheeler segment.

RESEARCH METHODOLOGY

DATA COLLECTION

The task of data collection begins after a research .a problem has been defined and research design/plan chalked out. While deciding about the method data collection, the research should keep in mind two types of data viz., primary and secondary.

The primary data are those, which are collected a fresh and for the first time and thus happen to be riginal in character. The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process.the methods of collecting primary data are to be originally collected, while in case of secondary data the nature of data collection work is merely that of compilation.

COLLECTION OF PRIMARY DATA

We collected primary data during the course of doing experiments in an experimental research. We can obtain primary data either through observation or through direct communication with respondents, or through personal interviews.

COLLECTION OF SECONDARY DATA

Secondary data means data that are already available i.e. they refer to the data which have already been collected and analyzed by someone else.it may either be published data are available are available in:

- Various publications
- Technical and trade journals
- Books, magazines & statistics
- Visiting various showrooms
- Discussing with the user of bikes with reference to questionnaire

SAMPLE SIZE

Sample size for customer's needs and satisfaction level: 100

TOOLS USED IN SURVEY

The various tools used in conducting the surveys are as follows:-

- Observation method
- Personal interviews
- Questionnaire

OBSERVATION METHOD

Observation method in the most commonly used method in a survey. Observation becomes a scientific tool and the method of data collection for the researcher, when it serves a formulated research purposes systematically planned and recorded and is subjected to checks and controls on validity and reliability. Under the observation without asking from the respondent.

INTERVIEW METHOD

The interview method of collecting data involves presentation of oral verbal stimuli and reply in term of oral verbal responses. Personal interview methods in a face-to face contact to the other person or persons. This method is particularly suitable for intensive investigations.

QUESTIONNAIRE

This method of data collection is quite popular in case of big enquires. In this method a questionnaire is presented to a concerned person with a request to give answers of the questions. A questionnaire consists of forms. The respondents have to answer the question on their own. The general form of a questionnaire is concerned; it can either be structured or constructed questionnaire structured or constructed questionnaire. Structured questionnaires are those questionnaires in which these are definite, concrete and pre-determined questions. When their characteristics are not present in a questionnaire, it can be termed as unstructured or non- –structured questionnaire.

PROCEDURE OF RESEARCH

1. To conduct the research the target population was the motorbike users.

2. Target geographic area was Delhi sample size was 100 for customer satisfaction.
3. To this sample a questionnaire was given, the questionnaire was combination of both open ended and close-ended question.
4. Some dealers were also interviewed to know about the various products market scenario of Hero Honda.
5. Finally the collected data if was analyzed and computed to arrive at the conclusion and recommendation given.

RESEARCH USED:

The study of dissertation is based on descriptive research. The major purpose of descriptive research is to give description of the state of affairs as it's exists at present. The main characteristic of this method is that the research has no control over variables; this can only report what has happened or what is happening. The Information Regarding the organization's marketing strategies has been obtained through Secondary Sources

- Internet
- Reports of CII
- Articles from – Business Today, Business India, A & M's. Business worlds.
- Newspaper Articles from – Indian observes, Brand Equity, Economic Times.
- Based on the information obtained from the above sources concepts were developed on which analysis was made.
- Questionnaire

DATA ANALYSIS & INTERPRETATION

SPSS RESULTS

FACTOR ANALYSIS

Factor analysis is a statistical method used to explain variability among observed random variables in terms of fewer unobserved random variables called factors. The observed variables are modeled as linear combinations of the factors, plus "error" terms. The information gained about the interdependencies can be used later to reduce the set of variables in a dataset.

CONCLUSION

The two-wheelers market has had a perceptible shift from a buyers market to a sellers market with a variety of choices. Players will have to compete on various fronts viz pricing, technology, product design, productivity, after sale service, marketing and distribution. In the short term, market shares of individual manufacturers are going to be sensitive to capacity, product acceptance, pricing and competitive pressures from other manufacturers.

All the three segments, motorcycles, scooters and mopeds have witnessed capacity additions in the last one year and it will continue in the upcoming period. Over this period, only the motorcycle segment is expected witness higher demand vis-à-vis supply, while the scooters and mopeds supply will outstrip demand.

As the various companies are coming in India and investing heavily to have their own manufacturing plants in India. Therefore, the competition in Indian automobile industry is increasing.

Therefore, companies are using various innovative techniques to increase their overall returns. Companies like Hero-Honda and Bajaj is investing heavily in advertising to increase their market share. So, in the coming future the fate of automobiles in India is good. The companies need to regularly update their technology and brand promotion techniques.

As incomes grow and people feel the need to own a private means of transport, sales of two-wheelers will rise. Penetration is expected to increase to approximately to more than 25% by 2005.

The motorcycle segment will continue to lead the demand for two-wheelers in the coming years. Motorcycle sales is expected to increase by 20%yoy as compared to 1% growth in the scooter market and 3% by moped sales respectively for the next two-years.

RECOMMENDATIONS

- Better advertising and brand promotion: - In terms of brand promotion and advertising Hero-Honda has set a

very good example. It has organized various innovative shows MTV roadies which has really influenced the youth of India.

- Broader production base: The company should be poised to drop its costs and increase its competitive strength in the market place so that it may be able to broader its production bases.
- Low per capita use: The per capita consumption of automobiles manufactures particulars in India is not so high as in China and Japan. This notwithstanding the fact that the Company has been able to achieve a mixed bag of success and failures recently. The fact remains that this disparity is expected over the coming years especially with prices expected to drop in the coming year.
- Companies should try to increase more authorized dealers and service centres in India.
- Global thrust: It can thrust to emerge as a global player of respect for which it is necessary to export in bigger quantities than it has done in the past. This will require big capacities.
- The media Revolution, Exposure to foreign brands and raising incomes will promote greater consumer awareness. The market for consumer goods will continue to grow and rural demand is expected to be particularly strong as a result of several years of comparative agricultural prosperity. Therefore, the company should increase its production capacity and capitalize on its resource-mobilizing capabilities to this end only.
- The company should supply products of highest quality at restorable prices for customers satisfaction and for the benefit of the society in general.
- The company should ensure timely supply to dealers.
- The company should have a better work culture among all employees and it should generate and sustain the concretion among all employees and it should generate and sustain the concretion among all employees through systems education and training.
- They should also think to develop new segment in two wheelers both in terms of power and fuel (CNG, LPG and Diesel).

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Green Marketing and How It Contributed To Better Environment Management Policies.

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Introduction

Green marketing is a topic which has been recently studied. This concept emerged in the late 80's decade representing the advertising products with environmental characteristics. New types of products were introduced in the markets, named by "green products" which had features would have less damage for the environment.

Peattie, K. (1995), identified three different phases of this new tendency of green marketing: the "ecological" which reflects the development of ways to solve the existing environmental problems; the "environmental" which involves using "clean technology" in the process of creating new products; and the "sustainable", reflecting organizations behavior in developing and marketing products which are environmentally friendly as customers are becoming more aware of these issues.

However, regarding Henion and Kinnear (1976), green marketing is not only about incorporating environmental characteristics to products or services. Some of these changes can be realized in products' advertising, some others in the company's trademark which can occur with a logo change or in the packaging material used. Modifying the product itself or even the production process are other activities companies engage when becoming green.

The concept of being green displays the increasing awareness of economy elements, businesses and customers, to diminish their impact in the environment (Singh and Pandey 2012).

Relying on customers' needs and freedom of choice, this concept has been revolutionary in terms of meeting the "needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland Commission's report in 1987 – Our Common Future), or in other words, finding alternatives to satisfy these unlimited needs.

1.2. Problem statement

More relevance should be given to specific features of green products and to customers who are environmentally conscious of the impact of their actions.

1.3. Research Purpose

The purpose of this research is to determine the impact green marketing practices have on influencing customers' reactions and perception on it. The way these products have becoming so appealing to them through their characteristics, as it changes customers habits going over the bounds of their consciousness.

1.4. Research Questions

1. How do color, quality and post-use fate influence customers purchasing habits, for green products?
2. How green marketing affects customers' attitudes when acquiring eco-products?
3. How green marketing practices influence customers' perception on companies' attitudes?

1.5. Relevance of the topic

This topic is extremely important as it can arise new opportunities for companies in such a highly competitive global environment. Many researchers defend becoming green is the only option to save our planet. Governments also have an important role as they should increase consciousness and awareness of economic policies aligned with social responsibility about these environmental issues.

The increasing awareness about environment concerns has been changing customers' preferences and tastes turning this concept into a revolutionary one, establishing a barrier from the traditional marketing. This shift from traditional marketing to green marketing reflects the change of customers' perception (Ottman 2011). Nowadays, it is clear how customers and businesses are embracing this new perception and prefer environment friendly products even if it means they have to spend more for these green products (Porter and Kramer 2006).

Becoming green means businesses behave in a more responsible way (eco-friendly) diminishing their impact on the environment to prevent serious consequences to happen in society's welfare (Dembkowski and Hanmer-Lloyd, 1994).

1.6. Research Structure

The dissertation is structured in seven parts, in the following way. The first part – Chapter 1 identifies the problem and the purpose of the study, Chapter 2 covers up the literature review of green marketing as a trend, customer behavior and the importance of the evolution of environmental concern. The chapter 3 defines the conceptual model and Chapter 4 defines the research methodology. Finally, there is Chapter 5 and 6, which states the results from the followed research and the assessment based on the outcomes, the validity of the research hypotheses and the recommendations and limitation found out in order to be useful for future studies.

Literature review

2.1. Green Marketing

2.1.1. Green marketing concept

The negative impact of human activities throughout the years brought a new concept of marketing – green marketing.

The green marketing concept has been recently immensely studied due to its impact on day-to-day buying decisions. This concept can also be perceived as: environmental marketing or ecological marketing (Henion and Kinnear 1976).

"Green products" or "environmental products" are often associated for having certain characteristics which were developed with green process, or in other words with as less impact on the environment as possible. Protecting the environment, reducing energy and resources describe some of their features. The processes associated tend to eliminate the use of toxic products, pollution and waste which are hazard to the environment. The green products have to increase the productivity and use of natural resources, must involve biological production model and also reduce the quantity of materials used in its processes - dematerialization (Singh and Pandey 2012).

This marketing approach concerning Ottman, Stafford and Hartman (2006) perspective, has a huge impact both on society and companies as green products promote health and safety, cost effectiveness and efficiency, and also performance, symbolism and reputation and convenience. According to what was mentioned, many green products have energy saving potential. For instance, there's been an increase in the demand for electric cars not only due to government incentives but also because of long-term savings.

Nowadays, we've been consuming everyday products which contain countless chemicals, hormones or other drugs. However, the consuming patterns have been changing and the importance given to health and safety products as become more relevant with the increase of sales of organic foods, for instance, as people tend to be concerned with their own well-being and with the future generations. In terms of performance, people still think green products do not perform as good and as efficiently as other products. Nevertheless, in many cases green products are design to perform better than other products.

We can take the example of clothing washer, which cleans better and are gentler to clothes than the older washers. Many organizations are trying to establish a "green chic" appeal to their products, so using celebrities to publicize them in order to determine trends and reach and expand targets. Green products are not only efficient, they can provide other benefits. LED lightening, is an example, which is the most power saving alternative when compared to the traditional bulbs and also

have no toxic chemicals in the composition, and last longer.

In general, green products can have some of the following characteristics: being made from recycled materials, products which can be recycled or reused, organic products, products which meet environmental responsible packaging or other environmental criteria.

Green marketing doesn't only refer to the promotion or advertising of products with environmental characteristics. We tend to associate this concept to terms such as: recycling, environmentally friendly, or for example refillable. However, regarding Henion and Kinnear

(1976) this concept is wider, as it also involves product modification, changes in the production process, brand adaptation (e.g. logo, packaging), and alteration and improvement of the advertising approaches.

It also implies the consequences marketing activities have on pollution, environment degradation and on energy consumption. It provides a different perspective of the general concept of marketing, as it is no longer focused on particular societies concerns, but in global ones. It consists of being able to satisfy customers' needs having the minimum impact and harm in the environment.

This concept brought new concerns for businesses and customers which consider social responsibility the main key for reducing the impact that certain activities might have in the environment. However, organizations should be aware of some obstacles they might have to overcome as, once they become green they will turn into the focal point of many critics, so they have to assure that their practices are not being misleading whatsoever to customers or to the industry.

Green marketing has become increasingly significant to the modern market. Companies have to re-think about all the activities which involve their products, whether it is the process or advertising for example, in order to reach environmentally conscious consumers, those consumers who are focused on their actions and the impact they have in the world, setting apart their materialistic side. And at the same time expand the mind set of consumers who are still not aware of their actions impact and the meaning of green-friendliness products.

The current tendency is for consumers paying more attention to the companies' practices as well as the product characteristics whether they are sustainable or not. Marketing practices such as adapting their brand image with "visual images most associated with the environment" or products made with recycled materials. However, implementing green marketing involves the analysis of several conditions as consumer awareness, costs and profit issues, awareness of the topic and competitive pressures (Singh and Pandey 2012).

In order to have a successful green marketing strategy, the organization must be genuine in terms of it stands for, or in other words, whether companies are accurate, comply and act according the companies' policies. Organizations must also act accordingly to what they claim during their marketing campaigns. Empower customers is also an important key to achieve success as it gives customers the power to intervene and make them part of the environmental actions and assure customers recognize the coming benefits from being green.

The acknowledgment of customers' preferences and characteristics is an essential asset allows the anticipation 46 | Page

of their need. In this particular case in order to sell green products, organizations must know whether customers are aware and conscious of their actions and the consequences they might have in the environment. Focus on transparency as long as companies have been acting according to their procedures and their claims regarding their position as environmentally friendly and so, avoid all the skepticism coming from adopting a greener strategy. And finally, set prices according to the defined target (Singh and Pandey 2012).

2.1.2. Importance of green marketing

One of the main issues of green marketing is satisfying customers' needs, providing them with alternatives which do not contaminate or are considered harmful to the environment due to the scarcity of resources which relies on the basic definition of Economics - the study of how people use their limited resources to try to satisfy unlimited needs (McTaggart, Findlay and Parkin 1992). So, it is important to find different alternatives with limited resources to satisfy these unlimited needs of both individuals and industry, and at the same time correspond with the company's goals. Regarding Ottman (2011), nowadays, companies focus on product development and ways to align it with sustainability. Actions in producing, distributing, usage and recycle processes must have the minimal impact on the environment.

It's important to consider the resources involved in each process, which resources are required during the product lifetime and whether the practices used are ethical. The companies' role in society has more duties and consequently is becoming more important with their active participation (Keller 1987, Shearer 1990). They believe they have moral obligation (Davis 1992) in their policies and practices to have a positive impact on the environment (Azzone, Giovanni and Manzini 1994). So companies using green marketing approaches are gaining competitive advantage over companies which don't engage in responsible practices. This current trend emerges in order to better satisfy customers' needs (Polonsky 1994).

On the other hand, the increasing pollution and the damages from global warming are some of the examples of human destruction which are devastating the environment. So, we have been observing how social responsibility has been assuming an important part in today's society. Therefore, not only marketers but also consumers are taking actions and being more concerned about it, changing their behavior patterns.

This concept explores customers' mind set and how they stand about the environmental issues, becoming more of a "central core value" rather than being too explicit and so that influence consumption and marketing decisions.

Some of the other benefits coming along with being green are the advances in technology towards the utilization of recycled goods and use of new forms of goods. The imposition of technology has been shaking the everyday life and it's often confused technology with nature. So it's essential to develop products and services which have little harm in the atmosphere (Winner 1986).

2.1.3. The green marketing new paradigm

Facing the needs of consumers who are now more social and environmentally consciousness and aware of their actions' impact and as the times have also evolved, a new paradigm as emerged – the green marketing paradigm.

Regarding Ottman (2011), the traditional marketing, it was focused on satisfying customers need along with the best prices and then assuring the product or service was publicized. On the other hand, green marketing is a bit more complex than that. Thus, it offers products which go along with "customers' needs for quality, performance, affordability and convenience" having the minimal impact and consequences in the environment. And at the same time developing the brand concept, where customers can have an active role towards it and engaging in its activities and obtaining sustainable benefits. Basically, being conscious of their consumer patterns has a meaningful significance in the environment.

There are seven strategies for green marketing success and they underline on innovation and flexibility (Ottman 2011).

- Acknowledge of customers and stakeholders' values regarding their social and environmental concerns.
- Develop products which satisfy customers in terms of quality, convenience and affordability and the same time which have the smallest impact in the environment.
- Offer products which have benefits that make customers engage in a way they know their actions have impact for the current and future generations
- Assure organization practices are legitimate

- Find competitive advantages when adopting new strategies in the product development
- Focus on comprehensiveness and satisfying customers and make a statement in terms of corporate environment issue

"Don't quit." Encourage the engage in sustainable activities and influence environmentally friendly buying patterns.

2.1.4. Greenwashing

Greenwashing, means organizations engage in green practices through "clever advertising and public relations activity" with other intentions than protecting the environment and diminishing individuals' impact on it. Some organizations use green marketing in an unjustified and exaggerated way of promoting their practices only with the purpose to gain market share and to obtain recognition, acceptance. Therefore, this is a misleading and unethical practice, as most of the times customers don't have entire access to information to know what is more or less harmful to the environment.

Greenwashing is only used by "dirty" companies known by their bad reputation but claim they have been engaging in sustainable and green trends with the only purpose of obtaining market share (Dahl 2010).

So, there are some examples which can reflect greenwashing tactics, collected from a summary report named Environmental Claims in Consumer Markets (2009). When organizations suggest a product is green due to some of its features without taking into concerns of other issues which might include the process of production affecting the environment. Every time, there is no certification from some other institution stating it is green. A product claiming to be green, but it appears to be very vague for customers (e.g. products stating they're all natural). When products are appealed to be environmentally friendly, however it doesn't add anything clear to the customer (e.g. some companies market their products as CFC free, however this component has already been banned by regulation).

And it is also greenwashing, when it is claimed to be an ecologic product, which might be truth, nevertheless it turns to be harmful to the customer (there are organic cigarettes, however the consequences to smokers are as terrible as the normal ones); claims of having environmental characteristics which are just false, because those features do not correspond to the real product; and every occasion where it is used fake certifications of being eco-friendly.

2.2. Green consumerism

2.2.1. Buying-decision process

According to Kotler and Keller (2009), there are 5 stages of buying-decision process: problem recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior. Basically, it focuses on consumers' needs and how these needs might be triggered by external features to stimulate a need of purchasing. Customers also try to collect the maximum information possible from friends, family, past experience and advertising in order to justify their buying decisions. Their choices can be based on their beliefs, attitudes or knowledge.

However, it doesn't mean all customers pass throughout all of these phases mentioned before, they can skip or reverse some.

The purchase process focuses on the assembly of certain goals or objectives on both organizational and individual levels. These goals can be directly or indirectly related to the purchasing activity itself. Therefore, the reasons to refer the buying behavior are due to the importance of the relations between selling, customers' previous experience, competitor offer, and purchasing process. On the other hand, the final reactions involve the purchase or rejection of a product (Baker 2003).

Bunn (1993) came up with an analysis of buying patterns and defined six prototypical buying- decision attitudes as: casual purchase, routine low priority, simple modified rebuy, judgmental new task, the complex modified re-buy and strategic new task.

The first one – casual purchase, involves no information collecting and deliberation. This happens when these purchases don't have much importance and it turns to be an impulse.

The routine low priority consists of more repetitive purchases. It requires more deliberation than the casual purchase, however in an adequate way. The acquisition of production supply items or raw materials are some of the examples of this category.

The next approach - the simple modified rebuy - involves searching for information and analysis in a moderate amount. Nevertheless, in this case, buyers restrict their choices.

The judgmental new task relies on a high level of uncertainty as there is a constricted set of choices and power of the firm, so decisions must be done as "decide as you go" which requires some research, analysis but not much reliance on the procedures. Complex technology products or some products, new in the market where companies have little experience can be taken as examples.

Then, there is the complex modified re-buy approach where there's little uncertainty, and there is much choice and companies detain a strong power. Buyers perceive as much information as they can, and deliberate about their needs and life cycle of the products.

The strategic new task involves some level of uncertainty and a small set of choices, however the buyer detains a strong power position in the relationship between buyer and seller. It also relies on a high level of search of information, analysis and deliberation. Despite being similar to the judgmental new task, this one requires more effort in the entire buying process and activities.

2.2.2. Consumers' decision making

Consumers are always looking forward to gather as much information as possible.

Solomon (2009) explains that there are two types of decisions: the behavioral influence perspective and the experimental perspective. The first represents all the decisions driven by impulse whether there is, for instance, a promotional or sales campaign. On the other hand, the experimental perspective characterizes all the decisions where customers are highly involved in and with it.

In many cases customers are not necessarily seeking for rationality and they just go for their impulse. Usually, customers only look for one or two stores before their purchase decisions, mainly when they are acquiring durable goods. The reason for this to happen is because sometimes seeking for information can be time consuming. Moreover, it's important to mention customers are more willing to look for external searches when it involves the purchase of "symbolic items" – insignificant investments (e.g. clothes). Regarding this previous example, it's obvious the importance of others' opinions which can make customers fully satisfied with their needs engaging in a brand switching.

There's also another point very important to mention which is related to customers' loyalty and the reliability given from customers to a certain product. Once consumers became loyal to a certain brand, they are less willing to find out other alternatives before their purchase.

Or go for brand trials instead of intensive deliberation of purchasing a new brand alternative for this particular product. Consumers also try to diminish their brand alternatives in this case, or in other words they splay the range of the same category products and their decisions are usually based in situational pressures.

2.2.3. Brand equity and value conscious customers

Regarding Kotler (2009), brand equity is "the added value endowed on products and services". The way customers feel and think about some brands are part of brand equity along with organizations' profitability, market share and reputation.

According to Aaker (1991) there were considered four dimensions of brand equity: loyalty, perceived value, quality, associations and awareness. The study of this concept derives from companies improving their marketing productivity and for financial purposes. So, Keller (1993) explains how brand equity is applied to describe consumer behavior which is an essential part from a marketing management perspective.

Loyalty to a brand can reduce the costs of marketing, as attracting new customer's turns out to be more expensive and

harder than retaining the already existing ones. Loyal customers have also a constant contribute to the brand's revenues and they can help the organization to attract new customers through word of mouth and personal experiences related to it.

According to Aaker (1996), a loyal customer turns harder for the entry of other brands, they are not quick to switch brands and they allow and give time for the company to adapt to the competitive threats. Therefore, competition has to focus in a way to break this wall through price or innovations offers for example.

The perceived value refers to the extend which a brand is known, among the public. Thus, organization should focus on some details as the brand name and the associations their brand can be attached to. Familiarity is also an important factor for customers to develop positive attitudes towards the brand and consequently spread brand awareness. The perceived value reflects where the brand positions itself in the customers' mind and their commitment to the brand.

A brand is considered to provide good quality products when the purpose to buy the product is due to its quality. It means, it is the competitive feature, the organization can differentiate itself.

Customers are more likely to perceive quality when the product is widely available, so a common practice is to have a brand in different sales channels.

Then, there are the brand associations which can be whether the brand can make relations using the customer's brain through marketing practices such as on TV advertising for example. Brand associations can create and bring positive attitudes and feelings. And it is a way to develop a strong personality in the brand.

Lastly, awareness is another important component as it can impact customers' perceptions and attitudes. In other words, how the brand positions itself in the customers' minds. There are several levels of awareness: recognition; recall; top-of-mind, which are the first brand names coming to your mind; brand dominance, which is the only brand that comes to your mind; brand knowledge and brand opinion.

Therefore, new or niche brands tend to be associated to recognition, on the other hand for well-known companies such as McDonalds and Starbucks are recall and top-of-mind levels of awareness as they are more meaningful.

Furthermore, both Williamson and Zeng (2009) consider customers are in a constant search for products or services which have unique features. Features, which go along with customers' attitudes and beliefs. It turns out to make them search for and be more concerned with ethical labeling, recycling or pollution control equipment, for example. These value conscious customers avoid any product which they consider the activities involved were not appropriate of the producer, supplier or even investors. Thus, companies should focus their strategy on cost-innovation abilities instead of just focusing on a cost cutting strategy, in order to provide to their customers more for less cost.

2.2.4. Reasons to choose green products

The definition of the green consumer profile requires the analysis of the relationships between individuals' environmental awareness and their purchasing patterns. There are several factors which are considered to be an influence on customers' behavior such as: consumer values, demographic factors, importance and knowledge about environmental issues, alert of the existence of alternative products, and the customers' perception on their actions impact to protect the environment (Dembkowski and Hanmer-Lloyd, 1994).

As it is hard to create and isolate the characteristics of the green consumer behavior, it's necessary to understand first everything involved in the purchase act and then the features which characterize the green consumer.

So, Kardash (1974) assumes buying green products also involves some other compromises from the customers whereas it is paying a green premium, which means higher prices for these products, because some state green products require higher production costs. However, some companies use this, in order to position their products in green market niches and charge premium prices, regardless the production costs, only for positioning and

reputation goals. Some of the other compromises are: customers accepting the fact the performance of their products might be lower comparing to the other products as they are eco-friendly, and finding the green products in non-standard places. Furthermore, Baker (2003) considers there are some attributes which must be intrinsic to customers. Customers' awareness that their actions have an impact on the environment, which might have consequences to future generations and knowing these environmental issues involve serious problems to the societies. The company's offers are competitive, nevertheless choosing green products means it also includes other characteristics as eco-performance. This purchase will make a difference in terms of materials incorporated in it (e.g. recycled materials).

Regarding Baker (2003), there are two different categories of features of the green products. One is associated to the social and environmental impact and to the existing alternatives after the lifetime of the product comes to an end – "post use fate". So the social and environmental impact includes aspects such as: efficiency of the products (e.g. fuel efficiency), longevity, safety when using the product and the recyclability when the product reaches the end of its life.

The post-use of the product can have different destinies such as: repair, by extending the product life and at the same time being cost-effective; reconditioning, as it works as an upgrade of the product (e.g. getting tires for cars); reuse (e.g. mugs in Starbuck); recycling, we can take the example of the beer cans; re-manufacture (e.g. Women Secret collecting old bras for remanufacturing).

On the other hand, the other category focuses on the production processes and the companies attributes. It involves everything from the core product, to the tangible product such as packaging for instance, to the augmented product which includes the service (Peattie 1995).

2.2.5. Colors affecting customers' perception of the brand

Regarding Williams (2007), color is an extremely important element in branding, in order to create an image or immediate association in customers' minds. Color might have different meanings "depending on culture, situation and industry". However, colors can also be dependent on and related to previous personal experiences of individuals and it creates different emotions which individuals will associate to it (Moser 2003).

Each color can result in different reactions (Schmitt and Simonson 1997). Colors bring out some feelings and ideas to individuals. In general, concerning certain colors, blue is related as trustworthy, responsible and secure. Red is a color that stand out drastically and it can be used to get attention, or to shock, for example. Black is a color of seriousness and classic and can be associated to more sophisticated products.

On the other hand, green is a color of growth, health, reliability, environmentally friendly, serenity, durability or even security. And it can also suggest a product as being natural and organic (Ciotti, 2013).

Each color implies certain concepts individuals associate it to. Thus, it's important to make the most appropriate association between the brand identity and concept and align it to the color among other factors such as type, line and form. Therefore, customers would have a clear idea of the brand itself and at the same time obvious to make brand association (Lindstrom, 2005).

2.2.6. Appeal for products with environmental characteristics

The greatest appeal of turning green is not only to satisfy and anticipate customers' needs, but also towards companies in achieving some benefits when adopting these practices.

So firstly, regarding the products' characteristics and how it can influence customers, green marketing main objectives emphasizes the constant improve of environmental quality and also finding ways to attain customers' attention and satisfaction. And when just one of these goals, is highlighted over the other, it can lead to "green marketing myopia". This term was first used by a Harvard professor, Theodore Levitt, when businesses found the product features more important than consumer benefits. So, rather than focusing on the existing products, production methods, market structures and consumption patterns, businesses should focus on ways to satisfy the unlimited needs customers have (Levitt 1960).

As businesses had to keep it up with the constant evolution in technologies, some of their practices contributed to the

degradation of the ecosystems due to toxic contaminations, deforestation, soil erosion and the loss of some species, because it is clear customers are starting to engage in activities to protect the environment. Therefore, businesses should focus on developing alternatives which go along with customers' concerns (Howard 2005).

On the other hand, companies go green and have corporate ecological responsibility in order to achieve some benefits. Some studies reveal companies only engage in adopting green practices for regulatory compliance, competitive advantage, stakeholders' pressure, ethical concerns, critical events and top management incentives (Dillon and Fischer 1992).

Acting according legislation, in terms of ecological responsiveness, and avoiding penalties, fines, legal costs, has become more important as organizations are positioning themselves ahead to legislation in order to escape to these additional expenses (Lampe; Ellis and Drummond 1991).

Green marketing can improve revenues through the sale of waste products, outsourcing a firm's environmental expertise. Thus, firms should focus on production processes in order to develop ways to diminish the environmental impact and at the same time benefiting from it by lowering costs and waste disposal (Cordano 1993).

Top management has an essential part as it makes companies realize their role in society and how they can adapt their business practices with the minimal effect in the environment. Therefore, Lampe, Ellis and Drummond (1991) stated companies should focus on their values instead of just being motivated by the "right thing to do". Stakeholders also determine the companies' choices. Customers, communities and the environment influence firms in their decision making in order to make them aware of their possible impact in the environment (Berry and Rondinelli 1998).

Customer Satisfaction

Many researchers (Cronin, Brady and Hult 2000) consider the association of the following factors: quality, service value and satisfaction can influence customers' behavior and intentions to purchase.

According to Rust and Oliver (1994), the concept of satisfaction can be translated as the customer believing the acquisition of a certain product will reflect and transmit "positive feelings" to them. Customer satisfaction can be separated in two types, nevertheless at the same time being correlated with each other, "service encounter satisfaction" and "overall customer satisfaction". The first one is related to the transaction itself, and it relies on specific features of the service, while the overall satisfaction is related to the relationship between the provider and the customer (Rust and Oliver 1994).

Customer satisfaction is understood as a post consumption reflex which depends on other factors as quality, perceived value, expectations and confirmation, meaning the gap between the actual and expected quality. Thus, expectations are the foundation of satisfaction providing an "anchor" allowing customers to adjust their satisfaction in terms of their experience of the product and service.

Regarding Kotler and Keller (2009), companies should pay more attention to customers' satisfaction than to market share, as this one goes along with satisfaction. Satisfaction has been seen as a basic foundation to retain customers. It has been developed in a way it can measure and monitor activities involved in the marketing concept. There are some facts which represent the higher the customer satisfaction, the higher the retention. It's more expensive (from 5 to 10 times) to attract new potential customers than to retain the already ones. Companies lose from 10 to 30% of the customers every year.

When this rate is reduced for 5%, firms can increase their profits by 25 to 85%. There is an increase in customers profit rate throughout their life of retained customer. Whenever customers have high customer satisfaction, organizations should advertise it, in order to contribute with more confidence and trust from customers.

Nevertheless, organizations should not only focus on customers' satisfaction. According to Hennig-Thurau and Klee (1997), it is considered there is a direct relationship between customer satisfaction and customer retention. They

assume customers' quality perception of the products can influence satisfaction and retention. Customer retention is related to the continuous purchase behavior of that product, in a certain way it works as a brand-loyalty measure.

Organizations should also concentrate on customer retention, as loyalty is an important goal for companies not simply correspond and meet customers' needs, but to exceed their needs and expectations.

Therefore, customer satisfaction towards a certain product or service of a company is usually associated to the "company's key success of competitiveness" (Hennig-Thurau and Klee 1997).

Customer loyalty

Loyalty is a feeling of commitment or attachment to something. Loyal customers tend to consider the service encounter and the overall experience more satisfying than the other customers when there is no relationship between these two parties (Anderson 1994). Customer loyalty represents the relation between customer and organization, and also the behavior of keep buying that product. It also means the decision of a retained customer is to re-buy the product and his/her willing to support that specific product in the future.

Regarding other authors, Asgharian and Saleki (2012) state customer loyalty refers to a positive connection between the product or service and customers through influencing them to have preference for it and suggest to others, keeping away other possible options. Loyalty can be defined as the upcoming decision of buying a product or service constantly, even when other options were also viable. In this case, loyalty can be expressed through emotional associations with the meaning of the brand align with their preference.

Johnson and Ettl (2001) suggest quality is the consequence of a "well performance", meeting customers' needs and to make correspond their preferences with little flaws, which includes performance, packaging, design, characteristics and others. This feature in a product directly influences customer satisfaction and loyalty, as represents the intention to acquire that product again. Thus, studies (Kotler and Keller 2009) refer quality as being an antecedent of satisfaction and loyalty, so organizations must focus on customers' new trend of being environmental concern and extend the product differentiation by reaching these customers' needs.

A company's retention rate indicates the brand loyalty. Firms with high retention rate can lose around 20% of their customers every 5 years. However the retention rate can also indicate customers' lack of interest for switching brands or indifference of staying as a customer.

Therefore, firms should differentiate their customers, or in other words cluster them into profitable groups, which are more likely to stay and become loyal, or non-profitable ones. Companies should create a tight relationship with their customers based on interaction, offer a loyalty award program or reward loyal customers.

According to Kotler and Keller (2009), organizations aim to have loyal customers, however loyalty is never strong enough when competitors offer a stronger value proposition.

2.2.7. Green marketing as a factor of competitiveness

According to Porter and Kramer (2006), in order to have a competitive strategy, there are some points to take into account: the attractiveness of an industry, the elements determining the competitiveness rivalry and the competitive position of the organization. Therefore, it's extremely important to develop the strongest competitive forces to have a profitable industry. Nevertheless, the most noticeable force is not in every case the strongest. In this case of fast food and beverages industries, companies are finding new ways as the ecologic path, associated to customers' awareness and willing to change and participate in the environment protection, to have a competitive strategy.

Throughout the years, we've been observing to this marketing tendency of becoming greener and more eco-friendly. Companies have been taking actions in order to boost their reputation through customers' awareness of environmental issues, focus on specific groups of customers by clustering them to gain their trust and loyalty.

Once customers perceive that they also have an impact and can change their purchasing habits into diminish their impact

in the environment, organizations will also be more effective when reaching their target market as they will be associated to a positive and proactive attitude.

2.3. Corporate Social Responsibility and Sustainability

Corporate Social Responsibility represents the effects of organizations in the environment. It refers to organizations' impacts on society's welfare. Basically, CSR involves and takes into consideration the following issues: human rights, workplace and employee issues, unfair business practices, organizational governance, environmental aspects, marketplace and consumer issues, community involvement and social development (Leonard and McAdam 2002).

CSR is the right approach as it stands for businesses and ethical behavior aligned together. On one hand, CSR focuses on achieving great quality of products or services and also getting as much profitability as possible for businesses, however CSR stands where companies also have to develop a sustainable position when referring to individuals and society. It's the association of several factors which focus on the satisfaction of customers' needs at the most convenient places, in the fastest way, at a fair cost and at the same time emphasizing work satisfaction, human rights and fair business practices (DallaCosta 1998).

Furthermore, CSR has an impact in several activities whereas it is in product manufacturing or marketing and advertising or even in selling practices, pricing and distribution. There are some benefits arising from the organization's sustainable performance such as: increase customers' loyalty and improve customers' satisfaction emphasizing not only customers' importance and connection to organization's practices and also reducing the employees turnover retaining the most qualified and skilled ones (Oppenheim and Przasnyski 1999).

Due to the increasing empowerment of stakeholders, and regarding this in particular, we focus on the case of the growing power of consumers with a constant access to information and knowledge about corporations. Therefore, they have the power of acquisition of products, but at the same time they can easily condemn any practice which they consider to be inappropriate. Thus, as customers have an extremely important role, they can influence the importance of business related to corporate responsibility and the impact government and marketing decisions have on it (Baker 2003).

According to Kotler and Keller (2009), CSR relies on legal, ethical and social responsibility behavior. Legal behavior stands for the way customers should be aware of the existing laws in order to protect themselves and not being misled by any company when selling its products. Due to the fierce competition among companies sometimes it's hard to distinguish marketing practices from unethical behavior. Some of these illegal behaviors can include: deceptive advertising, theft of trade secrets or false warranties for instance. Companies which are exposed for performing unethical practices face great risks. Regarding social responsibility behavior, it is clear marketers should practice an environmental initiative only in specific dealings as it will draw drastically customers and other entities attention and potential criticism. We've been observing how many crucial environmental disasters (e.g. Exxon-Valdez or Braer oil spills) had confronted industries and determined a different approach when reaching their customers.

Moral obligation, sustainability, license to operate and reputation are the four arguments which involve Corporate Social Responsibility determined by Porter and Kramer (2006). The first one mentioned, moral obligation, refers to companies turning Social Responsibility as their main goal, a priority for businesses.

There are some examples of moral obligations which can be taken by companies such as: simply filling correctly companies' financial statements or operate according to the law. Regarding Business for Social Responsibility, CSR is defined as "achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment." Therefore, companies have to act responsibly. Basically, being able to align and create the perfect balance between responsibility and competitive value, interests and costs.

Sustainability emphasizes the relationship between the environment and the community, or in other words, this principle states the ability of "meeting the needs of the present without compromising the ability of future

generations to meet their own needs." License to operate, comes from the companies' need to perform business according to government rules and communities and other stakeholders' permission. However, this approach can be tremendously pragmatic because it defines and imposes regulations to businesses which directly affect other stakeholders, whether they have distinct perspectives on a matter for example whether it is environmentally hazardous or not.

And the last argument reputation, sometimes used to justify CSR initiatives which will permit to improve company's image, its brand and value, and possibly to increase profits. Companies with a reputation for social awareness will shake customers' mind and thus being able to manipulate and focus on customers' satisfaction.

As mentioned previously, Corporate Social Responsibility and sustainability are two concepts which can be associated. Sustainability, assures the society's needs, without compromising the prospects of future generations.

Kotler and Keller (2009) points out the importance of sustainability which goes beyond being eco-friendly, it's the connection of different elements people, planet and profit, where people stand out from it.

According to the Brundtland Commission's report in 1987 – Our Common Future, it was stated, there were numerous countries where individuals' battle and struggle for satisfying basic needs such as food, clothing, shelter or jobs. Sustainable development improves quality of life of general population and assures individuals' needs are met.

On the other hand, there are also some individuals living above the world's ecological means, or in other words, our energy use and consumption standards are higher than what the environment can handle regarding long-term sustainability. However, human needs are socially and culturally established, so sustainable development has to stimulate consumption standards which are ecologically possible. Thus, sustainable developments aim to align resources exploitation, the direction of investments, and the orientation of technological developments in order to assure individuals' needs are satisfied.

Therefore, people will only act according to what sustainable development stands for, depending on education, institutional development and law enforcement. It requires an active participation of individuals in decision-making as citizens in a political system, a social system assuring guidance to preserve the ecological development and a technological system always providing new solutions.

2.4. Evolution of environmental concern

Environmental protection does not only depend on collective interests, but also on individuals and how they stand about the issue and the values which are associated to it.

Therefore, the influence values have, in particular situations, it's also linked to the association of it to individuals' altruistic behavior. According to Schwartz (1977), altruistic behavior only manifested when individuals hold norms to a specific behavior, which means, these norms come from the acknowledgement of the consequences of engaging or not engaging in that specific behavior. There are also values which motivate individual's own needs, personal interests or values which overcome the individual itself, and at the same time being aware of the society's welfare.

According to Schade and Schlag (2003), it is clear when individuals are more aware of environmental issues, they'll be more likely to voluntarily engage in activities and more acceptable to policies in order to reduce the impact on environment.

As consumers' actions might have some implications to the future, that doesn't mean the change in environmental attitudes will interfere in the same way as the evolution of pollution because it's highly dependent on technology. Consequently, we should take a look at the case of developing and industrialized countries and their relation with the levels of pollution and the awareness of the impact of it in the individuals. For the developing countries were considered the following countries: Brazil, India and Mexico, and for the industrialized countries were defined by Germany, the United States and the United Kingdom. Regarding the developing countries, the level of air pollution has been increasing in the past years, while the industrialized countries have shown a downward pattern.

Regarding the example of nitrogen dioxide, which is an air pollutant, its level has been decreasing by 29% in the developed countries where there are around 57% of people aware of air pollution and their effects on the atmosphere and to individuals, revealed by Dunlap, Gallup and Gallup (1992).

On the other hand, the nitrogen dioxide levels have been increasing in the developing nations by 59% when the percentage of people concerned and aware of air pollution is around 70%, higher than in industrialized nations. This means in these countries the level of pollution increased as well as the awareness for air pollution.

On the other hand, if the pollution generating technology is dirty, it means, even with a high share of agents with environmental awareness, is associated to an ever-increasing pollution. This can also be explained through consumption. This means the current generation consumption levels will affect and jeopardize the following one, as the consumption is too high compared to the efficiency of abatement (dirty technology). Even with a high share of individuals concerned with the environment this will lead to high costs of changing these patterns.

There is also the example of the greenhouse effect which has become one of the main topics of international debates. In order to reduce the impact and the effects it has on the environment, energy used in products and services should be used in a more efficient way and at the same time decrease the exhaustive use of products and services. Therefore, as mentioned before, people are more likely to engage in certain policies meant to reduce energy use and waste when they're aware of the environmental problems. However, people won't accept policies when they're imposed to them, or which they consider might be harmful to the environment. Steg, Dreijerink and Abrahamse (2006) refer two factors, which influence the engaging in these policies of protecting the environment, are: individual factors and the characteristics of the policy to be implemented. Transport pricing and energy use are some of the examples of individual factors. Regarding these factors, individuals feel they have a direct impact in these, which means they feel responsible for the problems arising from it and so actively contribute with solutions when they are concerned with environmental issues.

On the other hand, the characteristics of the policy implemented refer to the relationship between acceptability and perceived effectiveness of energy policies. Individuals are more likely to accept policies which they believe in, and it will have a positive impact – reducing environmental impact (Schade and Schlag 2003). Nevertheless, individuals can turn to be wrong about policies which they've never experienced, without knowing the outcomes from it. This means, perceived effectiveness doesn't imply on acceptability.

Thus, according to a study conducted by Poortinga, Steg, Vlek, and Wiersma (2003), consumers tend to be more likely to accept or engage onto activities of energy saving of technical measures such as: applying radiator insulation, acquiring energy-efficient heating system; rather than in engaging in activities which require behavioral changes as: walking instead of driving, use line drying instead of using a dryer machine.

3. Conceptual framework

The information collected in the previous chapter allows the identification of the relationship between different existing models. Therefore, suggesting a conceptual framework in order to support determining the effect green marketing practices have on customers, through their perception of green products.

This investigation has the objective to analyze the impact green products have on customers, and so their intention to buy them. Also focusing on the satisfaction level due to their acquisition and whether or not customers become loyal to green companies. Furthermore, this study allows identifying which customers who purchase eco-products are environmentally conscious customers and how they feel about the companies intentions when pursuing these new marketing approaches.

Thus, this investigation model was created taking into consideration the model developed by Menck and Oliveira (2014).

Firstly, the model focuses on the green products features such as the color green used in these products whereas it is

in their logo or in their package for example, the existence of alternatives after the use of the product (post-use fate) and the quality of eco-products which can influence customers' buying decision after their evaluation and perception of these particular aspects which turn the products into green ones. Regarding the review of literature, Williamson and Zeng (2009) consider customers are in a constant search for products or services which have unique features.

According to Dembkowski and Hanmer-Lloyd (1994), it was included the way customers evaluate their alternatives, in case there is the possibility to choose between products which have the minimum impact in the environment or others which can be harmful to it.

Similar to the model developed by Menck and Oliveira (2014), who highlight the profile of a conscious and aware customer influenced not only by the product performance, but also by the surrounding influences and the shape of consumers' perceptions and demands due to engaging in CSR actions, it will be analyzed and identified which customers are environmentally conscious and how their purchases can be translated into satisfied and loyal customers.

Thus, the main purpose of this investigation is understanding how effective these green marketing practices are in customers' minds and willing to purchase.

The customers' awareness for green marketing practices is the main component in order to analyze the way eco-products attributes and features. And also the new green approaches companies are adopting. These whole factors correspond to the independent variable. This variable interferes with customers' purchase experiences, their perception of companies' intentions when engaging these practices, and customers' awareness about the environment are identified as dependent variables. This last one is also considered by Menck and Oliveira (2014) as a dependent variable.

Objective and Research Methodology

1. To know the concept of green marketing.
2. To identify the importance and need of green marketing.
3. To study the challenges and prospects of green marketing.
4. To analyze the customer buying behavior w.r.t Green marketing.

3.1 Research Methodology

- The research is exploratory in nature; it focuses on Literature review, News Papers, Journals, websites and the other reliable sources.

Research may be a careful investigation or inquiry particularly through hunt for new facts in branch of knowledge: research specifies the knowledge.

Required to address these issues: designs the method for collecting information: manage and implements the data collection process analyses the results and communicates the finding and their implications.

Research drawback is that the one which needs a man of science to search out out the most effective answer for the given drawback that's to search out the course of action, the action the objectives are often obtained optimally within the context of a given surroundings.

3.2 Research Design

A framework or blueprint for conducting the scientific research, it specifies the details of the procedures necessary for obtaining the information needed to structure and/or solve research problems. A good analysis style lays the muse for conducting the project.

A good analysis style can make sure that the scientific research is conducted effectively and expeditiously. Typically, a look style involves the subsequent parts, or tasks:

- Define the information needed. Design the research.
- Specify the measurement and scaling procedures.
- Construct and present a questionnaire or an appropriate form for data collection. Specify the sampling process and sampling size.
- Develop a plan of data analysis.

3.3 Data Collection

The objectives of the project square measure specified each primary and secondary information is needed to attain them.

So each primary and secondary information was used for the project.

The mode of assembling primary information is form mode and sources of secondary information square measure numerous magazines, books, newspapers, & websites etc.

1. Primary Data: The primary data was collected to measure the customer satisfaction and their perception regarding Green Marketing.

The primary information was collected by means that of form and analysis was done on the idea of response received from the shoppers.

The form has been designed in such a way that the shopper's satisfaction level are often measured and consumer will enter his responses simply.

2. Secondary Data: The purpose of collecting secondary data was to achieve the objective of studying the recent trends and developments.

Sample size – 200 customers were selected. Sampling Technique – Convenient sampling.

Types of research design used –

Descriptive Research Design / Exploratory Research Design

Analysis and Interpretation

After the info assortment, it was compiled, classified and tabulated manually and with help of computer.

Then the task of drawing inferences was accomplished with the assistance of proportion and graphic methodology.

Findings

- Diversity in gender is maintained.
- Reach of Questionnaire was to both the residence places but response were from majorly from Urban places (84%)
- 51% responses were from the age bracket of "20yrs to 35yrs", and the next age group is of 23%.
- Graduate profile were majority in the research that also point out that they were more in number to give their response.
- Occupation of all the types were equally participative in the research.
- Table shows that 40% respondents were of oncome group " 10,000-30,000" and the 45% were from "30.000-50.000"
- Since the Green products are considered to be more of environment friendly hence it also comes with the pricy tag due to which the objective was to gather the response from these groups specifically.

- Motive was to gather what people think about the green marketing practices, their understanding, their expectations, and their perception also. Here from the table the percentage for specific response are mentioned
- Here the motive was to analyze the effectiveness of the ecolabels that are used in the packaging of the products.
- And the response that comes out is that respondent feels that company can do lot more to reduce the harmful effect of the labels by environment friendly labels.
- In terms of company specific, the respondents believe that recycle and reuse should be considered along with the usage of ecolabels.
- Due to which the response for ecolabels comes out to be 94% and for the green advertisements it comes out to be 88%.
- For better understanding the cognitive response for the green marketing was gathered and the result that were found are:
 - 83% respondent feels that company should reduce the amount of packaging they are currently using and there should be more visibility in a way the green products are marketed.
 - Here the analysis is on the basis of the ethical response to green marketing, where 44% feels Green products are marketed to me in a way which I really find engaging and relevant to my lifestyle
 - Green products will be more engaging if the packaging and its advertisements were done on the same basis environment friendly and give the feel to green customer also.
 - Pricing is always the issue with something creative and environment friendly also, similarly here in green marketing the same comes out to be important and due to which the response was that the "Green products " are considered to be more pricey and expensive.

Conclusions

The final purpose of this dissertation is to develop a conceptual model which would integrate and measure the effects green products have on customers and how they turn to be appealing for them, whether or not if it has a bigger influence on customers who are environmental concern. This model was made with the main goal of collecting information and therefore to take conclusions from it.

The questionnaire, based on Likert scales questions, was used in order to collect information about customers' behavior and at the same time allow making conclusions about customers' perception when exposed to green products and in the mean time being able to confirm the existing theories about the way these new marketing practices can influence customers' actions.

Regarding this investigation, it can be concluded firstly, customers are aware of the color green being a color which represents the protection of the environment, a brand which is environmentally friendly. The results reflect the consistency between colors and symbols and feelings customers associate to the brands, just through their look at it. Individuals immediately choose and go for what stands out more, according to their preferences. Therefore, organizations use colors in order to persuade customers' behaviors and influence their perceptions of the brands, with the ultimate intention of making customers want to acquire the product Chang and Lin (2010).

As seen throughout the results, colors can boost customers' attraction for these products and develop a strategic position of these products in customers' mind.

Customers don't consider green products as offering more quality comparing to regular ones. Despite the fact of quality being a feature which has been seen as an antecedent of satisfaction (Kotler and Keller 2009), customers feel that there are other features they consider a reason for them to purchase, as the possibility of the existence of other utilization of the products after they're life time ends.

So organizations are focusing on customers' new trend of being environmentally friendly and extend the product

differentiation. Regarding the research developed, customers feel the post-use fate of a product a more valuable feature

which catches their attention and stimulates them to purchase.

As a consequence, customers who capture these products' features are more likely to feel satisfied and consequently become loyal to these products which offer them characteristics they know will be important to diminish the harm for the environment, protecting the environment for their generation, but also for the future ones. The elements which characterize an eco-product and this new tendency of being environmentally friendly are valuable as it potentiates the attraction of customers.

Summing up, customers feel influenced by green marketing, although the main shopping motivation is the product features, customers seem to be more willing to acquire these products and more attentive for approaches because they're environmentally conscious. They're seeking for the option which will have the less impact to the environment as they are aware they have an active role to change, diminish and control the impact of their actions.

These conclusions can be useful for organizations which look further than profits and want to evolve their brand image and develop the potential of the products by protecting the environment and being ecofriendly. It can improve customers' perception of companies' intentions when they become "green".

According to the obtained results, it is clear that there is still in customers' mind the perception companies only use green marketing and opt for products which cause less harm for the environment for reputation reasons. Customers should have more information about companies' intentions for changing their strategies in the market and cooperating with environmental institutions and stakeholders.

To summarize, the researcher suggests marketers and organizations to fully understand the potential of the products and services, they have been marketed and evolve with this new tendency of green marketing. Green marketing is still a recent concept for customers. However, due to the increasing importance individuals are giving to environmental issues, green marketing can be seen as a way to market these products which have relevant features for this type of customers, who are environmentally conscious and so, use this approach as a competitive advantage.

5.2 Summary of Recommendations

Brushing up, customers' attitudes are resultant from the specific characteristics they find in a product and their distinct features which will stimulate their position and stand for choices and so, protecting the environment. Thus, marketers should focus on the following topics which are related to the contributions of this research:

- Contribution for the evolution of the study of this particular branch in marketing, by assembling in this study customers' perception and green marketing.
- Recognize the importance of green marketing potential in terms of trends, shaping customers' behavior, and add value to products and services.
- Recognition of the importance of the expansion of the relationship between the brand and customers, in a way it allows the understanding of their need which have been evolving throughout the times, in other words, complying with a more responsible customer.
- Highlight products' features in order to make them more appealing and turning into a reason for their choice over regular ones.
- Enhance customers' perception of the color green, developing and establishing feelings to them, when thinking of the brand. Retailers must understand the way to develop the brand concept through the balance of their brand image and their own practices.
- Companies should invest and develop more on eco-practices, in order to have a bigger impact on the market, and emerge as being environmentally conscious organization. And giving more attention to environmentally conscious customers who take an active role in protecting it.

• Organizations shouldn't only invest in green practices when they are forced to, as it might turn into avoidance behaviors and also a negative perception of the brand from the customers.

• The fact this is a model which can be applied in every part of the world, as it is a global topic with no target restrictions.

5.3 Research Limitations and Future Research

"Once we accept our limits, we go beyond them."

- Albert Einstein

As in every investigation, there are usually some limitations, so it is important to refer those, in order to support future researchers taking into consideration what was done before. Realizing which points can be improved, in order to become better and "go beyond them".

Nationality groups: was one of the limitations of the study. Nevertheless, the distribution of individuals by their nationality turned out to be not statistically significant in order to sort out other conclusions. - Questionnaire questions: the introduction of some other questions derived from other ones, should have been done in order to make the research hypothesis more significant. - Participants' emotional behavior: it was not taken into account the participants emotional actions and the way they were driven while they were acquiring products, which would possibly interfere with the results. - Context: some other factors could influence customers to opt for green products and that would affect their choices. - Qualitative research: combining the quantitative research with a qualitative one, developing interviews directed to an example of a company which is now introducing green marketing practices as its strategy.

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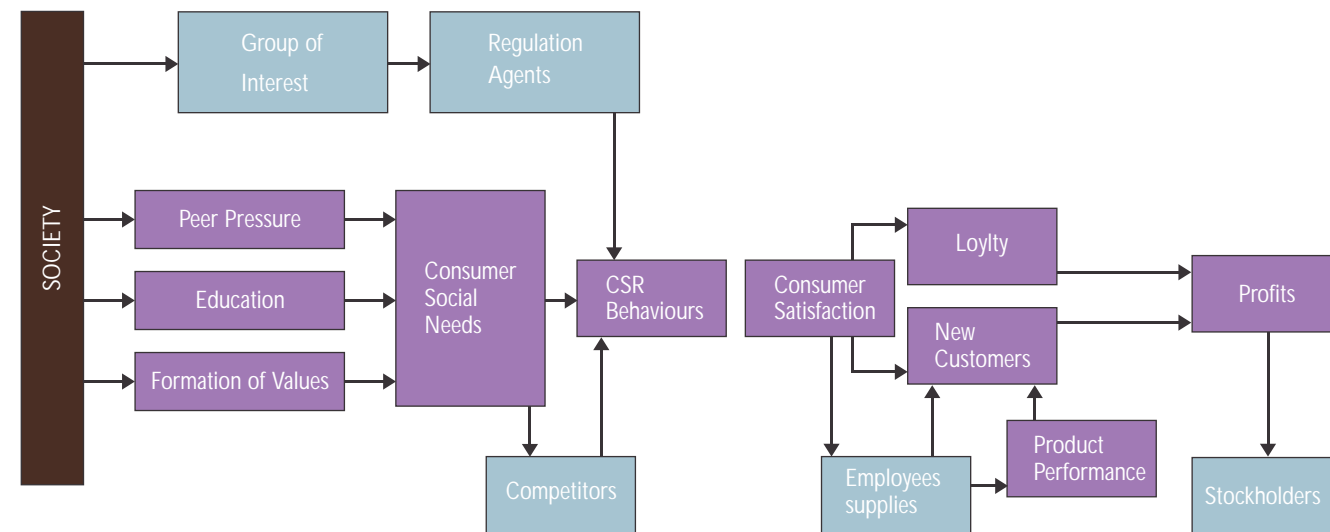
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Appendix 1

Structural Framework



Appendix 2

Questionnaire

Dear Sir/Madam,

You are invited to participate in survey of Green marketing impact on consumer buying behavior. Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point.

It is very important for us to learn your opinions. Your survey responses will be strictly confidential and used for academic purposes only. If you have questions at any time about the survey or the procedures, you may contact Lokesh Sharma at 09923669997 or by email at lokesh.sharma.glbimr18@gmail.com. Thank you very much for your time and support.

1. Personal Details:

• Name :

• Gender : Male Female Prefer not to say

2. What is your Age

a. 20 yrs -35 yrs b. 36 yrs – 50 yrs c. 51 yrs – 65 yrs d. Above 65yrs

3. What is your working sector?

a. House Wife b. Self Employed c. Service d. Others : _____

4. Income (in Rs. per month):

a. Under Rs 10,000 b. Rs 10,000 - Rs 30,000
c. Rs 30,000 - Rs 50,000 d. Rs 50,000 & above

5. Educational Background?

a. Under Graduation b. Graduation c. Post-graduation/Professional

6. Place of residence

a. Urban b. Rural

7. Affective response to green marketing

- a. Green advertising leads people to be more socially responsible
- b. I feel good about buying brands which are less damaging to the environment
- c. Attractive green advertisements will encourage me to adopt green purchasing patterns
- d. I trust well-known green branded products
- e. Information from green advertising help me to make better buying decision
- f. Whenever possible, I buy products which I consider environmentally safe
- g. I accept as true that a portion of the price for green products goes to a worthy environmental cause
- h. I would purchase a less attractively packaged product, if I knew that all unnecessary plastic and or paper covering had been eliminated.

8. Effectiveness and reliability of eco labels

- a. I believe that eco-labels are easy to read & understand
- b. Information on eco-labels is accurate & reliable for green products
- c. I feel industry can do a lot to reduce environmental harm by designing packaging which is environmentally safe
- d. In the store I can distinguish between environmentally friendly and harmful products due to eco-labels

9. Company specific response

- a. It is important to reuse or recycle the packaging after use
- b. I believe that industry could do a lot to reduce the harm their products can cause to the environment through green marketing
- c. I share the opinion that the green products should bear an eco-label
- d. Green advertisements should promote environmental friendly products in a credible manner

10. Cognitive response to green marketing

- a. I believe that industry could reduce the amount of packaging it presently uses for some consumer packaged goods
- b. I acknowledge that green advertisements are not exaggerated for green products
- c. There should be more visibility in the way in which green products are marketed
- d. I feel sufficient information is provided on eco labels
- e. Green advertising claims are insincere

11. Ethical response to green marketing

- a. Green marketing is a sales gimmick
- b. I am skeptical about green advertising
- c. Green products are marketed to me in a way which I really find engaging and relevant to my lifestyle

12. Response to green packaging/ advertising

- a. The content of green advertisements should offer pertinent emotional relevance for green customers
- b. I acknowledge that the information on packaging is an important criterion in case of green products
- c. Biodegradable packaging is an important consideration for green customers

13. Response to Premium green pricing

- a. Green products are expensive
- b. Green advertising exploits environmental issues instead of addressing them

Study on Impact of E-HRM & A.I in Human Resource

SAURABH KUMAR, Student GLBIMR

1.1 Introduction of the topic

1.1.1 Paradigm Shift

The progressing dispersion of data and correspondence innovation (ICT) in all aspects of business is prompting multidimensional and frequently unusual changes and headways. But assembling and activities the greater part of the elements of the organization is performed with the snap of mouse and most recent development contact screen, along these lines the business and its worker in present defy various tests and prospects that develop because of complex nature of work and unending changes occurring in the area of work. Significant difficulties incorporate, visit change in business cycle, fast change in work innovation, unification of world economy, remote correspondence, e-business, monetary rebuilding and new code of work. One of the biggest leaps forward in the work field is robotization, modernization, digitisation of the work and almost consistent logical advancement, with an explicit move toward the path of the organization of experimentally present day strategies of achievement of various capacities what's more, occupations, henceforth human asset (HR) capacity of an organization can't stay reserved and separated and same example must be pursued for human asset the board rehearses, consequently new, dynamic strategies for organization of HR are looked for after each day. This has more force as various partners are eager of data and need redone data in 24*7 mode readily available. ICT has prompted quick extension of e-business and as yet up and coming as a major push, subsequently human asset and HR experts are stood up to with the distinctive tests and issues of conveying in bearings in the streak with the hierarchical exchange. Human asset capacity can turn into a significant partner in conveying achievements; anyway for redemption it needs change its spotlight, its situation, alongside its administration conveyance instrument. HRM needs to work parallel of being proactive and receptive at the same time in answer to the ceaseless shifting business foundation and this is overflowing in the manner in which that staff work both inside and outside the organization is being directed. New dynamic, adaptable and versatile method for overseeing HR issues arrangements and practices are being looked for after and HR benefit conveyance in electronic frame is the arrangement of previously mentioned issues. Change in outlook in business condition broadly and universally is having noteworthy effect on inner business condition of Indian organizations and thusly affect faculty work being conveyed.

1.1.2 E-HRM "The Technology"

ICT is one of significant leap forward in staff work by Redesign and reorientation of process, component and framework overall not just in the Name of digitization and robotization of administrations yet additionally the administrations are being gotten to by diverse partners at various point and mode. The majority of dynamic foundations are set with various sort of instrument which encourages in liberation of HR benefits in computerized stage.

E-HRM has made couple of trendy expressions like mechanization, straightforwardness, strengthening, paperless office, minimum human obstruction a reality and is viewed as the panacea for every one of the working environment. Innovation has driven a noteworthy change in the giving and getting to of work force arrangements in the organizations. This is very apparent by method for human asset offices and projects both inside and remotely in the foundation is being executed and conveyed. There is a wide practice by HR staff in organization to enact e-HRM apparatuses to execute obligations on advanced base by e-work force information the employees, e-organization, e-work structure, e-staff arranging, e-enlistment, e-choice, e-learning and preparing, virtual execution examination, e-pay and advantage organization, e-times office, and e-consistence announcing bringing about partners are probably going to get HR benefits in a lesser sum by physical nearness and pen and paper mode and devours operational, dreary, ordinary operational administrations by dynamic inclusion in ICT empowered stage with faculty

staff or outside dealers by means of telephones, versatile, internet and different remote gadgets.

1.1.3 E-HRM "The Business Partner"-

There could be contrasts on a few or all the issues yet there is unanimity among the whole administration professional that individuals are the main key upper hand of any organization. This plainly shows the HR work in charge of the equivalent needs to fix belts by reengineering or reevaluating the administration conveyance of HR work in electronic stage so it can adjust HR arrangements, instrument, process, and rehearses with business methodology of the organization. Electronic human asset the employees as a genuine colleague, must have the capacity to build organizations' vital ability by utilizing a mutual mentality and responsibility to key execution pointers by institutionalizing its administration conveyance, diminishing the managerial weight of HR experts, making strides boss brand picture, making prepared to change workforce, expanding fitness of employee, and supporting information the employees. E-HRM is dependably on radar and inspected regardless of whether it can prevail to change the viewpoint of HR work from receptive to proactive, cost focus to main concern giver, facilitator to colleague, value-based to transformational or on the other hand key. E-HRM is taken as an essential wellspring of key capacity building. E-HRM should move focal point of HR work from employee welfare to key donor by reorienting scholarly capital of the organization and be a facilitator of learning the employees and at the end give vital edge to the foundation. Its traits, apparatuses, component, framework is a major distinct advantage and pathfinder in giving vital ability to the HR work.

E-HRM encourages in better serving and the board of each organization's most critical key capacity developer, pioneer, scholar, server of customer employee. Digitization of HR work disposes of repetitive activities, introduces increasingly exact and opportune HR data and – maybe most imperative – robotizes the time killing, blame inclined human asset paper story. It leaves human asset experts with more opportunity to concentrate on vital undertakings and oversee in most ideal way the organization's most imperative asset its kin. Innovative change is a key driver for HR change, giving the establishment to help HR's becoming vital center. Particularly, system and web innovations have effectively given employees coordinate contact to one another, to HR, and to business data without any difficulty and knowledge that each laborer can contribute all the more straightforwardly to business results. It is seen that there is an extreme change in human asset the board work and there is change from a secretarial, upkeep, utility office profoundly of vital introduction and the use of specialized ability is one of the principle element of this gigantic change. Growing specialized skill has brought about new extension toward human asset by methods for development of virtual staff, dropping dimensions of chain of command and changing the situation of human asset as key partner in the age of data framework. Foundations partner human asset work alongside the other capacities like advertising, back, activities, data innovation of organization have the planned to increase the value of the key digestion of human asset work with foundation's general procedure. E-HRM innovation is harbinger of learning the employees and makes positive hierarchical culture and elite frameworks. Learning the employees should be greatest riches maker and it might be express or understood inside the foundation or outside the foundation, in the event that it is used in appropriate way can convey gold both for the organization and individual worker. Data and correspondence innovation is expected to be facilitator of information trade and has been to a great extent computerized through most recent web and web innovation. Presently multi day's parcel of organization has started to secure human asset mechanization and computerization as it has boundless advantage to the organization.

EHRM automates the HR work as well as gives parcel of use to the business by being successful and effective. E-HRM is the in all actuality a key intend to surpass the business in the computerization period, by interlinking HR work along the hierarchical methodology of the foundation and make consistency between business methodology and human asset strategies which together improve the fulfillment of primary concern, intensity and execution.

Artificial Intelligence

Artificial Intelligence is a part of software engineering that means to make savvy machines. It has turned into a basic piece of the innovation business.

Research related with man-made reasoning is exceedingly specialized and concentrated. The center issues of man-made brainpower incorporate programming PCs for specific qualities, for example,

- Learning
- Thinking
- Critical thinking
- Discernment
- Learning

Information designing is a center piece of AI inquires about. Machines can frequently act and respond like people just on the off chance that they have rich data identifying with the world. Man-made reasoning must approach objects, classes, properties and relations between every one of them to actualize learning designing. Starting presence of mind, thinking and critical thinking power in machines is a troublesome and dull undertaking.

Machine learning is likewise a center piece of AI. Learning with no sort of supervision requires a capacity to recognize designs in floods of sources of info, while learning with sufficient supervision includes order and numerical relapses. Characterization decides the classification an item has a place with and relapse manages getting a lot of numerical info or yield precedents, along these lines finding capacities empowering the age of reasonable yields from individual data sources. Scientific examination of machine learning calculations and their execution is a very much characterized part of hypothetical software engineering frequently alluded to as computational learning hypothesis.

Machine observation manages the ability to utilize tangible contributions to derive the distinctive parts of the world, while PC vision is the ability to break down visual contributions with a couple of sub-issues, for example, facial, item and motion acknowledgment.

Mechanical autonomy is likewise a noteworthy field identified with AI. Robots expect insight to deal with assignments, for example, object control and route, alongside sub-issues of confinement, movement arranging and mapping.

(HR) have been encountering critical changes on account of the advancement of data innovations over the most recent two decades. Today, Artificial Intelligence (AI) is reshaping the manner in which that organizations deal with their workforce and make HR arrangements, which builds profitability and worker commitment by and large.

Remembering that employee commitment programs support organization income by 26%, plainly you ought to acknowledge AI answers for reinforce your group and increase some long haul benefits. In this article, we will display you 5 different ways to utilize AI in HR the board. Instructions to enhance Human Resources utilizing AI Computer based intelligence has the ability to take your HR experience to the larger amount. Much the same as Donald Southern, a HR pro at Resumes Planet, clarified: "artificial intelligence can assist you with handling enrolling, profitability, and maintenance more proficiently than customary HR strategies. In the meantime, it additionally enables you to do it quicker than at any other time." Let's see here precisely how AI is getting along that.

Talent Acquisition:-

Utilizing AI, you can expel huge amounts of distressing and tedious work from your HR administrators. In particular, ability securing programming can sweep, read, and assess candidates and rapidly dispose of 75% of them from the enrolling procedure.

This is a colossal advantage as it enables the enrollment specialist to invest more energy dissecting and assessing just a littler gathering of qualified applicants. In such conditions, HR units are definitely expanding the nature of procuring choices. Also, organizations spare a great deal of cash along these lines since they don't need to pay the expense of poor employing choices.

On boarding:-

Procuring the most encouraging abilities isn't the main worry of HR offices. Adjustment is the second step in the process the same number of prospects can't fit in the new condition because of absence of onboarding techniques. Specifically, new employees request a great deal of consideration and usually difficult to commit enough time to every single one of them.

That is the place AI ventures in – it decides modified onboarding methods for each and every position. This turned out to be to a great degree profitable by and by since new specialists who experienced very much arranged onboarding programs had a lot higher consistency standards than their friends who didn't have a similar chance.

Training:-

With such a large number of mechanical changes happening nearly on a month to month premise, it is urgent for all employees to continue learning and enhancing proficient abilities. Artificial intelligence can effectively design, sort out, and organize preparing programs for all staff individuals.

Online courses and advanced classrooms are the most well-known arrangements in such manner. In any case, this isn't the main occupation of AI since it likewise decides the best time span for new courses and calendars exercises in order to fit the inclinations of all employees exclusively.

Performance Analysis:-

Commitment and profitability are fundamental characteristics of fruitful experts. Nonetheless, most organizations are attempting to discover people who have those attributes. That is the reason it is simpler to screen their conduct and investigate key execution pointers.

Utilizing AI devices, HR administrators are empowered to set solid targets and let all units work in littler additions. This kind of work is simpler to pursue and evaluate and it creates better by and large outcomes. Obviously, it doesn't just serve to enhance profitability yet additionally to recognize colleagues who demonstrate absence of commitment persistently.

Retention:-

As much as it is hard to enlist gifted employees, it is as hard to keep them in your group. This is the reason relatively 60% of organizations consider employee maintenance their most concerning issue. Be that as it may, AI can investigate and anticipate the necessities of staff individuals.

It can decide singular affinities and uncover who ought to get a raise or who may be disappointed with the labor of love balance. Such examination offers space to HR experts to be proactive and tackle the issue even before it really happens.

Promotion and desires for AI are currently high as can be. We will before long be conversing with our PCs; automatons will convey our perishables; our vehicles will drive themselves; and most clerical specialists will screen machines. Is this valid and will this truly occur?

As an industry examiner and architect who has pursued innovation for a considerable length of time, I'd state we are in fascinating stage: on one hand the promotion is a long ways in front of the truth; on the other, the upside could be a lot greater than we might suspect. What's more, in HR the open door for esteem is gigantic.

While about each HR merchant is presently constructing an AI group and we as a whole need our frameworks to be increasingly insightful and helpful, I trust this market is still extremely youthful, so I need to call attention to a few interesting points.

A week ago I went to a meeting on enrollment robotization and we tuned in to Billy Beane, General Manager of the Oakland A's, talk about Moneyball. After a magnificent talk of the historical backdrop of Sabermetrics and how information has changed the sport of baseball, he revealed to us that he presently has six PhD machine learning engineers on his program, and "the group with the most PhD's is extremely difficult to beat." This is what's going on in business.

The Role of AI in HR and Management

How about we perceive that AI isn't some mystical automated persona; it is a wide scope of calculations and machine learning instruments that can quickly inject information, distinguish designs, and streamline and foresee patterns.

The frameworks can comprehend discourse, distinguish photographs, and use design coordinating to get motions about temperament, trustworthiness, and even identity. These calculations are not "instinctive" like people, but rather they are quick, so they can examine a huge number of snippets of data in short order and rapidly connect them against examples.

Measurably AI frameworks can "anticipate" and "learn," by plotting bends of conceivable results and after that enhancing choices dependent on numerous criteria. So you could envision an AI framework that takes a gander at II the conceivable socioeconomics, work history, and inquiries with an applicant and after that "predicts" how well they will perform at work. (HiredScore, Pymetrics, HireVue, IBM, and others are chipping away at this.) While this is surprisingly entangled, it's an essential and honorable exertion. When I was gotten some information about this half a month prior I replied: "most

administration choices we make today are finished without much forethought. In the event that these frameworks make us a little more intelligent we can enhance our tasks hugely."

Indeed there are numerous dangers and obstructions to manage, however the potential is huge. What are portions of the Killer Apps we can hope to see?

Give me a chance to list only a couple of the numerous regions we could see achievement results.

In selecting, we settle on numerous choices on gut feel. One examination demonstrated that most enlisting directors settle on a choice on a competitor inside the initial 60 seconds of meeting an applicant, regularly dependent on look, handshake, clothing, or discourse. Does we truly know what attributes, encounters, instruction, and identity characteristics ensure achievement in a given job? No we don't. Directors and HR experts utilize billions of dollars of appraisal, tests, reproductions, and recreations to enlist individuals – yet many disclose to me regardless they get 30-40% of their applicants off-base.

Calculations dependent on AI can filter out resumes, discover great inner applicants, profile superior employees, and even translate video meetings and give us motions about who is probably going to succeed. One of our customers presently utilizes Pymetrics' AI-based gamified evaluation to screen contender for its advertising and deals jobs and their prosperity rate has gone up by over 30%, while taking out all the "talk with predisposition" and "instructive family inclination" intrinsic in the present procedure. Man-made intelligence in enlistment will be colossal.

Incidentally, while we are altogether stressed over employment aptitudes (programming abilities, deals aptitudes, math abilities, and so forth.) most research demonstrates that specialized aptitudes make up a little piece of an individual's prosperity. In our latest research on High-Impact Talent Acquisition, we found that the dimension 4 development organizations, those with the most noteworthy monetary come back from employing, distribute relatively 40% of their contracting criteria to enthusiastic and mental qualities like aspiration, learning nimbleness, enthusiasm, and feeling of direction. Will AI reveal this as well? Maybe. (Merchants in this market incorporate LinkedIn, Pymetrics, Entelo, HiredScore, IBM, Textio, Talview, Unitive, Predictive Hire, and the sky is the limit from there.)

In employee advancement and learning, we truly don't know how to "train" individuals splendidly. The worldwide L&D industry is over \$200 billion and most learning experts disclose to us that at any rate a large portion of this is squandered (overlooked, improperly connected, or simply squandering people groups' time). In any case, we don't know which a large portion of this is.

Do you as an individual know what you "have to realize" to be better at your specific type of employment? We as a whole have a really smart thought, however imagine a scenario where we had calculations that observed and examined the aptitudes, practices, and exercises of the most astounding entertainers in our groups and afterward just revealed to us how to be increasingly similar to them. These sorts of "Netflix- like" calculations are currently entering the universe of learning stages, making learning as helpful and fun as watching digital TV. Again the market is youthful; however the open door is enormous. Our exploration demonstrates that the normal employee has less than 25 minutes per week to prepare and learn; in the event that we make that time progressively applicable everybody will perform better.

(Sellers in this market incorporate Degreed, EdCast, Filtered, Volley, Axonify, BetterUp, Clustree, Workday, and then some.)

In the board and authority, we work like Zen experts. We read books, we go to workshops, we duplicate the managers we appreciate, and we laud the effective pioneers of the day. Do we truly know the exploration of administration? I'd propose it's a momentary point. This year we are centered around reason, mission, and followership. Just a couple of years back it was "hireling authority" and when I was youthful it was "execution and money related discernment." Most investigations find that there are many administration and initiative qualities that characterize achievement, and every one of us brings a somewhat extraordinary and one of a kind mix of them.

Artificial intelligence would now be able to help interpret this. I am aware of three merchants who have fabricated "computer based intelligence based" instructing devices, frameworks that ask for input, read remarks, and intuit feeling from employees and groups. They utilize this information to coordinate these individual and groups' issues

against higher performing groups, and the utilization that information to give directors and managers "bumps" on the most proficient method to improve the situation. One customer revealed to me that inside just 3 months of utilizing this device their authority groups demonstrated a 25% enhancement in corporate qualities simply dependent on little social bumps.

(Sellers in this space incorporate Reflektiv, BetterWorks, Ultimate Software, Zugata, Humanyze, ADP, Impraise, and that's only the tip of the iceberg.)

In misrepresentation and consistence, the open doors are gigantic. One examination found that employees who take or carry out violations are "infectious" to their companions (individuals who work with them get negative behavior patterns). Computer based intelligence can take a gander at hierarchical system information (email traffic, estimation of remarks) and recognize zones of pressure, territories of perhaps ethic slips, and numerous different types of consistence chance, and the bring up the "red regions" to HR or consistence officers so they can mediate before awful conduct happens.

(Sellers in this space incorporate TrustSphere, Keencorp, Volley, Cornerstone, and that's only the tip of the iceberg.) In prosperity and worker commitment, AI is presently being utilized to recognize practices that reason poor work execution. In wellbeing AI can recognize practices and encounters that lead to mishaps. Another type of review instruments can distinguish examples of stress and awful conduct and ready HR or line chiefs. (Sellers in this space incorporate Limeaid, VirginPulse, Glint, Ultimate Software, CultureAmp, TinyPulse, Peakon, and the sky is the limit from there.)

In worker self-administration and competitor the board, another type of wise chatbots can make collaborations wise and simple. (Merchants in this space incorporate IBM, ServiceNow, Xor, Mya, Ideal, Paradox, and then some.) The rundown continues forever. Are There Risks? The end result for People Analytics? Every one of these applications are new, and as energizing as they appear, there are a lot of dangers to stress over. The greatest is that AI can't work without "Preparing information." at the end of the day, the calculations gain from the past. In the event that your present administration rehearses are one- sided, biased, punitive, or excessively various leveled, you may simply end up regulating every one of the things you despise. We require AI that is straightforward and "tuneable" so we can examine the algorithms to ensure they're doing the correct things. Much the same as the early autos didn't generally drive straight, our initial calculations will require "guards" and "tuning handles" so we figure out how to make them increasingly precise.

- The frameworks can organize inclination. Assume your organization has never contracted ladies in building and has not very many African American designers. The AI enrollment framework would normally infer that ladies and dark specialists are more averse to move into the employees. This kind of inclination must be cautiously expelled from the calculations, and it will set aside opportunity to do this well.

- There's a danger of information presentation and incidental abuse also. Consider a typical utilization of investigation where we attempt to foresee the probability of a superior worker leaving the organization. On the off chance that we tell supervisors "this individual has a very probability of leaving" we may in certainty make the wrong conduct – the administrator may disregard this individual, or treat the person in question in an unexpected way. We need to figure out how to apply social financial matters cautiously, so we don't give AI a chance to transform into "HAL" (the motion picture 2000) unintentionally. Artificial intelligence is an "instrument" for recommendation and enhancement – not a free decisionmaking framework today.

1.2 Background & Justification of the topic:-

As per Lepak and Snell (1998), Operational human resource management is concerned with streamlining processes. It engages Basic administrative HR actions such as compilation of personnel data, payroll, publishing of Information, which was earlier face-to-face now, offered through web-based technology.

According to Bondarouk and Ruel, (2006) "for operational HRM, the establishments requires to decide whether or not workforce will keep their own personal information up to date via HR website, or whether this will be done physically/manually by administrators". As per Shane (2009) the one-way communication from the organisation to its staff is characteristic of the first form of e-HRM, which engages merely publishing information. Intranets are the prime information delivery means for this and incorporate generic content such as the organization's policies and actions and

measures. This is time and again expanded to inculcate more personalized information such as vacancies. This type of e-HRM is in itself particularly valuable to establishment as it allows for more cost-effective spreading of information by cutting down on printing costs. Alteration to information can be uploaded as and when required so that users can access up- to-date, pertinent information when required.

Human– Robot Interaction challenges Artificial Intelligence in numerous respects: dynamic, somewhat obscure conditions that were not initially intended for robots; an expansive assortment of circumstances with rich semantics to comprehend and translate; physical cooperations with people that requires fine, low- inactivity yet socially satisfactory control methodologies; normal and multi-modular correspondence which orders presence of mind information and the portrayal of perhaps different mental models. This article is an endeavor to portray these difficulties and to display a lot of key decisional issues that should be tended to for a psychological robot to effectively impart space and assignments to a human.

We distinguish first the required individual and collective intellectual aptitudes: geometric thinking and circumstance evaluation dependent on point of view taking and affordance examination; procurement and portrayal of information models for different specialists (people and robots, with their specificities); arranged, normal and multi-modular exchange; human-mindful errand arranging; human– robot joint undertaking accomplishment. The article talks about every one of these capacities, presents working executions, and shows how they join in a rational and unique deliberative engineering for human– robot collaboration. Upheld by trial results, we in the long run show how unequivocal learning the employees, both emblematic and geometric, turns out to be instrumental to more extravagant and progressively normal human– robot connections by pushing for unavoidable, human-level semantics inside the robot's deliberative framework.

In 1956, American PC researcher John McCarthy sorted out the Dartmouth Conference, at which the term 'Man-made brainpower' was first received. Research focuses sprung up over the United States to investigate the capability of AI. Specialists Allen Newell and Herbert Simon were instrumental in advancing AI as a field of software engineering that could change the world.

In the late 1990s, American enterprises indeed ended up keen on AI. The Japanese government disclosed plans to build up a fifth era PC to progress of machine learning. Man-made intelligence fans trusted that soon PCs would have the capacity to carry on discussions, decipher dialects, translate pictures, and reason like people. In 1997, IBM's Deep Blue crushed turned into the main PC to beat an authoritative world chess champion, Garry Kasparov.

CHAPTER-2

The prompt risers in executing and it appears that in profiting from the e-HRM activities have been organization in the data innovation, protection, keeping money and re-appropriating where quantities of employees were high. In any case, presently even customary organizations like FMCG, vehicle, vitality, training are following a similar trail. A few organizations like Hero Honda, Ranbaxy, Dabur, NTPC, LIC, Moser Baer, Maruti Suzuki, SBI, Tata Motors, have executed IT to upgrade their HR functionalities.

Coal India Limited (CIL) – CIL is a coal mining organization under legislature of India. It has its headquarter at Kolkata, West Bengal. Coal India has eight backups, which is arranged in India and abroad and satisfies 81% of coal prerequisite of nation. Coal India Limited is one of the biggest coal maker organizations on the planet. CIL was nationalized by legislature of India in 1970 to provide food vitality prerequisite and to have agreeable modern connection with point of social welfare. Hardly any years back Coal India Ltd was recorded with stock trade; still organization government holds 90% of its value. The task of the organization is controlled by Ministry of Coal. In year 2011 CIL was deliberated with Maharatna status by focal Government. CIL and its auxiliaries have 357,926 (speculative) employees as on 31 March 2014, out of which 304,792 were agents, 33,542 were chiefs and 19,592 were employees. 3.3.1 Coal India Limited (CIL) – CIL is a coal mining organization under legislature of India. It has its headquarter at Kolkata, West Bengal. Coal India has eight backups, which is arranged in India and abroad and satisfies 81% of coal prerequisite of nation. Coal India Limited is one of the biggest coal maker organizations on the planet. CIL was nationalized by legislature of India. In 1970 to provide food vitality prerequisite and to have amicable mechanical connection with point of social welfare. Scarcely any years back Coal

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In Indian business most over and again utilized names are "SAP", "BAAN" and "Individuals Soft". These bundles are customized and can handle select necessities of organizations. A considerable number of organizations in India are right now checked out SAP alone. Some unmistakable names among these are ONGC, Asian Paints, L&T, IOC, SBI, HPCL, Aditya Birla Group, Ruia Group, Tata Sons, Jet Aviation routes, GM, Eicher, Bajaj, Wipro, Infosys, Siemens, NTPC, Mahindra, BEL, Reliance.

Siemens has executed SAP R/3 – ERP bundle for ONGC for human asset and office the employees work, one of the single biggest human asset bundles in the India. SAP India Private Limited gives Mahindra Group ERP answer for solidification of the gathering's frameworks. Regular procedures over the Mahindra Group of organizations, for example, human assets, employee administrations, organization, fund, acquirement and examination, were Institutionalized on the SAP innovation stage.

Traditionally has the administration accessible on SaaS. "HumaNET" finance is a multi organization and multi area item. Paradyne Infotech created incorporated programming suite "HrWorQ" which is a suite of human asset data the board frameworks. Patni Computers created Human Resource Management Frameworks (HRMS) as coordinated framework empowers interface between human asset the employees furthermore, data innovation. Organization has likewise built up an electronic application to pursue issues raised by clients.

Advancements Limited is lead of HCL, is a worldwide IT administrations supplier. It has arrange workplaces at a few areas in India and abroad. It's workplaces are spread more than 26 nations and gives administrations to various divisions and portions of economy which incorporates fabricating, telecom, avionics, military hardware and administrations, power and vitality, mining, metallurgy, programming sellers, administrations, servers and capacity, vehicle, transportation and coordinations, managing an account, protection, monetary administrations, electronic and print media, excitement, retail, warehousing, gadgets, instruction, government, biotechnology and social insurance, therapeutic types of gear, semiconductors, travel and the travel industry. In most recent couple of years HCL has appeared potential as a programming and innovation organization and has beaten its companions both in income age as well as on bourses and is viewed as one of the quickest developing innovation organizations not just in India yet universally. HCL is ideal mix of ability, specialized expertise, and progressed the board practices and reasoning that released the reasoning of engaged employees. The imaginative practices like "Employees first client second", is an altogether different methodology that acts like an impetus and main thrust of 88,000 or more employees, and tackles clients issue.

Over some undefined time frame HCL Technologies Limited felt necessities of coordinated business arrangement for consistent and continuous activities. SAP R/3 endeavor asset arranging (ERP) was set up for productive and compelling administration of data crosswise over various areas and focuses all around. SAP R/3 has institutionalized and consolidated every one of the procedures of the organization over diverse capacities. HR capacity of HCL gives in a class HR space ability, one of a kind practice, system and procedures, best-in-class IT framework on HR ERP stage. Coordinated human programming suite application encourages diverse partner in getting to streamlined, enhanced, straightforward and adaptable administrations in 24*7 mode, subsequently enhanced fulfillment level.

National Thermal Power Corporation Ltd (NTPC) –

NTPC Limited is an open area organization under the Ministry of Power, Government of India, engaged with the matter of creation of power and related exercises. It was set up in 1975 to satisfy the deficiency in power creation limit from ordinary vitality source coal. Today, NTPC's primary business is building, erection and tasks of power creating plants. The entirety of power creation limit of the organization is 35000 MW (Tentative) with 15 coal based furthermore, 7 gas based power delivering stations, arranged from everywhere throughout the nation. Add up to employee quality in NTPC is 25,500 (provisional) and brags a group 536 HR experts.

Human asset at NTPC is a three dimension structure. The gathering/corporate dimension human asset is engaged

with arrangement detailing, the territorial HR set up encourages and screens the execution process while the workstations or real working site HR have the fundamental obligation of execution of arrangements and frameworks. The three layers in the HR division of NTPC work in incorporated way. NTPC has executed an Enterprise Resource Planning (ERP) framework covering extensive number of works over the organization enveloping sister concerns. This ERP venture called 'LAKSHYA ' has bestowed a front line to the organization as far as productivity, adaptability of working, straightforwardness, and speedier reaction to inner and outside partners. In expansion deeply business procedures and worker self administration (ESS) usefulness, the ERP arrangement additionally incorporates e-acquisition, learning the board.

SAP-ERP Human Capital Management Model (HCM) has modified traditional human asset office into comprehensive framework. It upgrades the value of workforce and absorbs human assets, activities and arrangement to convey business goals. Computerization of principle worker forms, for example, staff organization, lawful issues, and finance upgrades fitness and encourages similarity with changing universal and neighborhood rules. Similarly vital, incorporated ability organization works in ERP give human asset directors understanding into organization's ability to all the more successfully estimate, pull in , gain, train, adjust and hold the ability required to amplify the viability of the business. Perceiving high achievers and plausible successor helps business diminish unsettling influence when administrators.

3.1 REVIEW OF LITERATURE

With research in human asset the employees and finish of region, electronic human resource management (e-HRM), and the subsequent stage was survey of writing for having an essential structure for plan of conceivable builds. E-HRM writing audit is the most imperative part of the exploration as it gives the base and surveys the data and work done by Forerunners here, in this manner distinguishing the examination hole. The point of convergence of this writing audit is to restate and amalgamate the contentions and thoughts of different scientists about e- HRM. Since development of e-HRM as an exploration subject, parcel of analyst has contributed in this field. Present investigation has grouped and accumulated the related writing with an explicit heading so that writing survey is legitimate and importance could be determined out of it.

With research in human asset the employees and finish of region, According to Broderick and Boudreau (1992) "human resource information systems (HRIS) as the combination of data centric computer applications and hardware and software that are required to compile, document, store, manage, deliver, present and contrive data for human resources". Lepak and Snell (1998) used the wording, "virtual HR" to express a network-supported arrangement built on partnerships and mediated by information Technologies to help the institution, obtain, develop, and set up intellectual capital.

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Transformational HRM is the top-level and the most multifaceted form of HRM. According to Lengnick- Hall and Moritz, (2003), HRM shifts from a transactional to a transformational focus, whereby the human resource functions are relieved of the operational duties and redirected en route for more strategic capability. These types of job contain: strategic partnering with the business, developing centres of proficiency and administration of service centers. According to Bondarouk and Ruel (2006) "when using e-HRM for strategic, transformational purposes, it is probable to form a change-ready work force via an integrated set of web-based tools that enables the personnel to grow in line with the organisation's strategic choices".

As per Bieasalski (2003), e- HRM offers opportunity to automate administrative HR-task and to optimize value creating HR- activities. Three levels of development can be distinguished as web-presence HR, web- enabled HR,

web-energized HR. The first level "web presence" means that parts of the e-HRM-solution are present. Web-enabled means that all parts of the e-HRM solution are present and can be availed online. The third level describes more proactive e-HRM solution that is fully implemented, can be accessed online and is used optimally by employee.

3.2 NEED FOR THE STUDY:-

Majorly the need for the study to find out the Impact of E-hrm and Artificial Intelligence on HR in Indian Organizations to know about the various aspects of how a particular organization use AI and E-hrm as a strategic tool for development of their organization how Artificial Intelligence boost the productivity of the organization for smooth function of HR operations as per the changing scenario in the Indian culture the wide part of HR is now moving towards the Artificial intelligence for reducing the biasness, enhance the productivity, Automate Business Process, reduce the paper work completely, also talking about to ensure the efficiency of the work in the indian organizations.

3.3 OBJECTIVE OF THE STUDY

- 1) To examine present level/form of A.I & e-HRM in Indian organizations.
- 2) To examine the extent to which A.I & E-HRM facilitates HR function in achieving strategic Capability for Indian organizations.
- 3) To see if A.I enhance the consistence in the organization.
- 4) To see if A.I go about as DSS (Decision Support System) for HR.

3.4 HYPOTHESIS.

3.4.1. DEVELOPMENT OF HYPOTHESIS:-

In this study, I examine the "Impact of e-HRM an A.I" as a Dependent Variable affected by a number of Independent Variable like- "Strategic Capability, Competency of employee, efficiency and compliance".

Based on the previous studies, I propose the following hypothesis:-

3.5 SCOPE OF THE STUDY

- 1) Present research paves the way of further research which can be based on factors responsible for level of electronic human resource management and ways to increase the level of electronic human resource management.
- 2) Research can be based on if most of the organizations of a particular industry implements e- HRM, then whether e-HRM will remain strategic edge enabler or not.
- 3) Research can also be based that how much A.I is effective for the company by comparing Pre-A.I and Post A.I Era

4.1. RESEARCH METHODOLOGY

For the purpose of data collection, the method used in my research is survey based questionnaire to be filled by the employees of Different companies. The questionnaire is constructed on Likert scale. The respondent will be asked to fill the questionnaire according to their own convenience and availability of time, in the whole day limit. Questionnaires will be filled for collecting data for my research. A descriptive research design with survey method is applied in the study.

Sample size of the study consists of 52 respondents. I have used both primary and secondary data to collect the details with the help of well-structured questionnaires. The source of primary research was survey and secondary research was carried out through different publications, books, articles, research studies and web sites.

4.1 DATA COLLECTION

4.1.1 Tool used for data collection:

Data was selected by using both primary and secondary method, in Primary method of data collection personal interview and questionnaire was used, in case of secondary data was collected by using magazine, books and data available with the person working there.

4.3.2 Primary data:

The primary data was collected by asking the respondents those who are working at various other companies. These are

those data which are collected a fresh and for the first time and thus happen to be original in character. Some of them are calculation and observation. I have asked 52 respondents to fill up the questionnaires. It is a very important part of the project as it is only through the properly filled up questionnaires that I can reach to any conclusion from the data which I got from the questionnaire.

4.3.3 Secondary data:

Secondary data are the information which is attained indirectly. They are the data collected by someone else and which has already passed through statistical process using statistical tool.

4.4 SAMPLING DESIGN:

Population includes respondents in various selective companies across Pan India. Most of the sample will be generated by Survey as the research requires those samples who are working at companies. List of all the contacts was formed from them all the possible prospects were chosen out who are most favored one. In next step these prospects were approached they were briefed about the questions and their responses were recorded.

3.9 LIMITATIONS OF THE STUDY

In this research, researcher may under take some sort of preliminary survey. It could not do in this study. The time devoted in the reviewing of research already on related problem. Studies on related problem are useful for indicating the type of difficulties that may be in countered in the present study as also the possible analytical short coming. At time such study may also suggest useful and even new line of approach to the present problem. After the receiving the questionnaire, the researcher think that some point must be incorporated in this study. Which factors and how impact the A.I and e-HRM? Such type of finding may be asked in the questionnaire.

In spite of every care taken on the part of the researcher there were certain limitations which could not be overcome and are as follows:

- Some of the employees were not so responsive.
- Possibility of error in data collection because many of respondents may have not given the actual answers of my questionnaire because no one want to disclose their information they rather kept it as personal.
- Sample size is 52 respondents only. The sample size may not adequately represent the whole market.
- Some respondents were hesitant to uncover personal data which can prevent the validity of all responses.
- Some of the new employees tends not to disclose any information.

The research study was confined to selective organizations.

The study has a great significance on theoretical and empirical research that will ultimately change the way economists, behaviorists and practitioners think about A.I and electronic human resource management. Actually this is a major growth area for research in management and economics too. Both theory and empirical research suggest e-HRM and A.I is important for understanding the organization-level implications of efficiency and decision support system. Furthermore, the theoretical implication of this study provides a valuable contribution in the field of literature

6.1 FINDINGS:-

This study has provided findings that have managerial implications on service provided by HR in terms of e-HRM and A.I professionals, their own future, and the way new innovations will have impact on service delivery, process and mechanism of human resource department. Managerial implications are also significant for line managers and those who avail human resource services. The managerial implication offers platform and creates environment for future research. Cost constrains, time constrains, constrain due to nature of research undertaken, imposes limitations on the study which has been mentioned. Talking about the e-HRM AND A.I impacted in terms of the competency and where lacking in terms of strategic capability and Compliance for the particular organizations.

6.2 CONCLUSION

From literature review there is unanimity among the researcher regarding level of e-HRM as operational, relational and transformational, as originally conceived by Lepak and Snell way back in 1998. There were differences in

nomenclature and some minor issues but broadly a consensus has been found till now. Literature supports that in most the organizations application of e-HRM is confined to operational and relational HRM function and there is hardly any evidence of application of e-HRM for transformational HR function. With strategic delivery approach of e- HRM, HR function devotes comparatively less time on transactional HR activities and more time on transformational or highest level activities. With this approach HR function some time reengineer their operations , opt for outsourcing, and traverse on digital platform and in most cases applies all the three alternatives concurrently. It is obvious with self service, more employees can be served and number of employees served increases drastically when self service and shared service both introduced as service delivery instrument. It has been found that predicting contribution of e-HRM financially is very difficult as implementation and operation of e-HRM is not a exclusive activity and it is a part of business solution so very difficult to bifurcate among different functions of organizations. Review of literature indicates that use of e-HRM and A.I by the targeted employee is highly determined by level of usefulness to HR information technology rather than easiness to use. It has been revealed that elearning in the field of ongoing education, employee-self-service (ESS) and manager self service (MSS) administration of HR function and the deployment of the intranet and extranet in the field of recruitment being the main fields of e-HRM that are facilitated by the e-HRM. The best contribution of E-HRM has been found in knowledge management as it facilitates compilation and dissemination of explicit and implicit knowledge very effectively and efficiently. Preparing change ready workforce is hard nut to crack, but e-HRM and A.I has been a harbinger of change management.

Present study has provided conclusions for rational explanation of inferences derived from statistical data interpretation and recommendations to facilitate fundamental solutions of the problems which have been recognized during the research and has provided outlook to confer implication of the outcome outside what they imply statistically. Recommendations deduce the result and specify what can be realized out of it. Conclusions and recommendations have been provided sector specific (manufacturing/mining – services) type of ownership specific (public -private). Sometime problems are organization specific hence organization specific recommendations and in some case recommendations are for Indian organizations as a whole.

6.3 SUGGESTIONS.

- This study had utilized non- probability sampling. Sample organizations had been selected based on judgment sampling and participants (respondents) were selected based on convenience sampling technique.
- Extracting information related to relevant HR practices or application of ICT for HR services, was hard nut to crack as some employees were unwilling to share as they were bound by code of conduct and were not supposed to disclose office/ business secrets. In this research queries were general so there was hardly any issue of defying service code of conduct.
- One of the limitations of the study it had not taken implementation and operational cost in account while discussing financial matters. Digitization of HRM function is not a standalone activity, in most of the organization and it's very difficult to measure implementation and operating cost in quantitative term.
- One of the limitations of this research is perception based study. Respondent's opinion has been measured. It has been assumed that the employees have provided the correct response.
- Present research paves the way of further research which can be based on factors responsible for level of electronic human resource management and ways to increase the level of electronic human resource management.
- Research can be based on why all e-HRM tools are not being used in Indian organizations.

What is the significance of social networking or web 2.0 technologies in HR function? As smart phone is high in use in recent times how e-HRM services can be made user-friendly on mobile.

- Research can be based on if most of the organizations of a particular industry implements e-HRM, then whether e-HRM an A.I will remain strategic edge enabler or not which help for further research.
- Further research can be based on value for money, payback period, and return on investment.
- Upcoming research can be based on change in satisfaction level based on pre e-HRM implementation and post e-HRM implementation.

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1) Gender of the Employee?

- a) Male b) Female c) Prefer not to say

2) Age of the Employee?

- a) 20-30 yrs b) 30-40 yrs c) 40-50 yrs d) 50 yrs & above

3) Education of the Employee?

- a) Undergraduate b) Graduate c) Post graduate

4) Occupation of the Employee?

- a) Junior b) Executive c) Supervisor d) Other

5) Do you consider e-HRM is easy to use?

- a) Yes b) No

6) To what extent HR Extranet is used as an instrument for performing HR activities in your organization? (Not at all-1 Very little -2To some extent-3 To great extent-4 Very much-5)

Not at All 1 _____ 5 Very Much

7) To what extent e-HRM reduces administrative burden of HR professional in your organization?

(Not at all-1 Very little -2To some extent-3 To great extent-4 Very much-5?)

Not at All 1 _____ 5 Very Much

8) Do you think e-HRM increases strategic capability (competitive edge) of your organization?

- ? a) Yes b) No c) Maybe

9) Do you think Artificial intelligence will improve the compliance in your organization?

- a) Yes b) No c) Maybe

10) Does Artificial Intelligence reduces cycle time of HR functions in your organization? (Not at all-1 Very little -2To some extent-3 To great extent-4 Very much-5)

Not at All 1 ----- 5

Very Much

Any Suggestions.

IMPACT OF SOCIAL MEDIA MARKETING ON BRAND EQUITY

SHILPI GHOSH, Student GLBIMR

INTRODUCTION

The decision of Consumers in Buying Process is being largely affected by the number of ways of marketing and communication done by a particular brand. An increasing number of consumers are embracing the internet and spend more time searching for information as well as shopping online. Social Media Marketing has emerged as the most popular and effective tool of marketing and communication. The companies are using social media campaigns to attract the prospects and making the existing customers brand loyal. As the usage of social media is increasing at a fast pace, in addition to existing social networkers, private business firms and government bodies are also using the platforms as communication tools (Kim and Ko, 2012). Now, firms are not the only source of brand communication as social media allows the consumers or prospects to communicate with many other consumers from all corners of the world. More importantly, consumers are losing their interest from traditional media such as TV, radio, or magazines and are increasingly using social media platforms for searching the information (Mangold and Faulds, 2009). The viral dissemination of information among the people through social media is much stronger than the traditional media such as TV, radio, and print advertisements (Keller, 2009).

Social media has helped the marketers to build up an interactive communication environment where they can enhance existing relationships with consumers. The platform can take various forms like Weblogs, Social blogs, Micro blogging, Wikis, Podcasts, Pictures, Video, Rating and social bookmarking (Kim and Ko, 2012). The product reviews by consumers on social media can produce a positive or negative brand buzz and the messages on these virtual platforms affect consumer buying decisions (Vij and Sharma, 2013). Everson (2014) suggests that Brands should have a social analytics team which can properly monitor and engage target audiences on social media platforms especially because community managers cannot fight this battle alone. The increased usage of the Social Media has changed the way people interact and communicate. It has become very easy for the Brands to promote and advertise their products through Social media networks. The communication gets exposure to a large base of Social media users in a very short span of time. With ever-increasing prevalence, social networking sites are being used by consumers to connect with one another, and increasingly to connect consumers with brands and vice versa (Wolny and Mueller, 2013). In addition, social media activities of brands can help to reduce preconception and misunderstanding toward brands, and to increase brand value by providing an online platform to the people for exchanging ideas and information (Kim and Ko, 2012). This study has first identified individual studies related to social media, electronic word of mouth, and brand equity. Then, it has classified the key dimensions of social media communication which can create E-WOM (word of mouth). Further, the study has identified the dimensions of brand equity to see how E-WOM can be related to these brand equity dimensions as well as how these dimensions contribute to the overall brand equity of any brand. The structure of the paper is as follows. Firstly, the paper presents the basic definitions and theories about social media, electronic word of mouth, and brand equity. Then the paper describes how the literatures have been identified to include in the study. This is followed by review of various studies. Finally, the paper proposes a conceptual framework and a set of propositions showing the impact of social media on brand equity. The study concludes with the discussion about the implications and limitations of the conceptual framework for future theoretical and empirical investigations.

1.1 SOCIAL MEDIA MARKETING

Social media marketing is the use of social media platforms and websites to promote a product or service. Although the term e-marketing and digital marketing are still dominant in academia, social media marketing is becoming more popular for both practitioners and researchers. Most social media platforms have built-in data analytics tools, which enable companies to track the progress, success and engagement of ad campaigns. Social media marketing is a powerful way for businesses of all sizes to reach prospects and customers.

Social media marketing is a form of internet marketing that involves creating and sharing content on social media networks in order to achieve marketing and branding goals. Social media marketing includes activities like posting text and image updates, videos and other content that drives audience engagement as well as paid social media advertising.

When using social media marketing, firms can allow customers and internet users to post user-generated content like online comments, product reviews, etc.

Social networking websites allow individuals, business and other organizations to interact with one another and build relationships and communities online. When companies join these social channels, consumers can interact with them directly. Social networking sites act as word of mouth or more precisely, e-word of mouth. The internet's ability to reach billions across the globe has given online word of mouth a powerful voice and far reach. Social networking sites and blogs allow followers to retweet or repost comments made by others about a product being promoted, which occurs quite frequently on social media sites.

1.1.1 WHAT SOCIAL MEDIA MARKETING ACTUALLY DOES?

Social media marketing is all about delivering values to prospects and customers. A businessman should think whether one can:

- Solve a Problem
- Answer a Question
- Address a Concern
- Relieve a Concern Make a Life Easier

1.1.2 THE IMPACT OF SOCIAL MEDIA ON BUSINESS RESULTS

There are major benefits of using social media to promote a brand. Some of them are:-

- Growth of Social Signals

Search engine optimization endeavour can be boosted to a large extent by social signals. More people talk about brand on social media, like, follow and recommend brand page to others the more chances of web page to rising up in search ranking.

- Promoting Company Branding and Consciousness

Social media users can always keep the memory of brand alive in the minds of a vast number of people by sharing page on their walls. This in turn creates awareness about your product, which eventually convert an numbers of customers/followers.

- Do not Underestimate Word of Mouth Advertising

People tend to believe familiar people more than descriptions or reviews of goods on webpage. If current customer is happy, ultimately they will be the one who will promote brand to their friends and acquaintances.

Social Media has become a requirement for digital marketing because research shows that most consumers have a

habit of spending a minimum of half an hour per day in various social media sites. (<https://www.ronsela.com/impact-of-social-media-marketing/>)

1.2 BRAND EQUITY

Brand equity refers to a value premium that a company generates from a product with a recognizable name when compared to a generic equivalent. Companies can create brand equity for their products by making them memorable, easily recognizable and superior in quality and reliability. Mass marketing campaigns helps to create brand equity. Brand equity means the commercial value that derives from consumer perception of the brand name of a particular product or service, rather than from the product or service itself.

Basically brand equity is a marketing term that describes a brand's value. That value is determined by consumer perception and experience with the brand. If people think highly of a brand, it has positive brand equity. When a brand consistently under-delivers and disappoints to the point where people recommend that others avoid it, it has negative brand equity. When a company has positive brand equity, customers willingly pay a high price for its products, even though they could get the same thing from a competitor for less. Customers in effect, pay a price premium to do business with a firm they know and admire, because the company with brand equity does not incur higher expense than its competitors to produce the product and bring it to market, the difference in price goes to margin. The firm's brand equity enables it to make a bigger profit on each sale. Brand equity is an extension of brand recognition, but more so than recognition, brand equity is the value added in a particular name.

UNDERSTANDING BRAND EQUITY

Brand Equity has three basic components:-

- Consumer Perception
- Negative/Positive Effects
- Resulting Value

Consumer perception includes both knowledge and experience with a brand and its products, builds brand equity. The perception that a consumer segment holds about a brand directly results in either positive or negative effects. If the brand equity is positive, the organization, its products and its financials can benefit. If the brand equity is negative, the opposite is true. Therefore these effects can turn into either tangible or intangible value. If the effect is positive, tangible value is realized as increases in revenue or profits and intangible value is realized as marketing awareness or goodwill.

1.2.2 EFFECT ON PROFIT MARGINS

When customers attach a level of quality or prestige to a brand, they perceive that brand's products as being worth more than products made by competitors, so they are willing to pay more. In effect, the market bears higher prices for brand that have high levels of brand equity. The cost of manufacturing a golf shirt and bringing it to market is not higher, at least to a significant degree, for Lacoste than it is for less reputable brands. However, because its customers are willing to pay more, it charges a higher price for shirt, with the difference going to profit. Positive brand equity increases profit margin per customer because it allows a company to charge more for a product than competitors, even though it was obtained at the same price.

Brand equity has direct effect on sales volume because consumers gravitate towards products with great reputations. For e.g. :- When Apple releases a new product, customer line up around the block to buy it even though it is usually priced higher than similar products from competitors. One of the reasons why Apple's product sell in such large numbers is that the company has amassed a staggering amount of positive brand equity, because a certain percentage of a company's costs to sell products are fixed, higher sales volume translate to greater profit margins.

Customer retention is the third area in which brand equity affects profit margins.

For e.g. :- Most of the company's customers do not own only buy one product of it but several others also like Apple user prefer iPhone, iPad, Apple Watch, Mac book and eagerly anticipate the next one's release.

Retaining an existing customer increases profit margins by lowering the amount a business has to spend on

marketing to achieve the same sales volume. It costs less to retain an existing customer than to acquire a new one.

HOW BRAND EQUITY HELPS IN EXPANDING BUSINESS

A general example of a situation where brand equity is important is when a company wants to expand its product line. If brand's equity is positive, the company can increase the likelihood that consumers might buy its new product by associating the new product with an existing, successful brand.

According to a Starbucks consumer case study, customers choose its brand of coffee over others both because of its quality and because of the company. Rated the fifth-most-admired company in the world by Fortune magazine in 2014. Starbucks is held in high regard for its pledge to social responsibility. With more than 28000 stores around the globe in 2018, Starbucks remains the largest roaster and retailer of Arabica coffee beans and specialty coffees.

Porsche, a brand with strong brand equity in the automobile sector, retains its image and reliability through the use of high-quality, unique materials. Viewed as luxury brand, Porsche provides owners of its vehicles not only with a product but an experience. In comparison to other vehicle brands in its class, Porsche was the top luxury brand in 2019, according to US News & World Report.

Brand equity is a major indicator of company strength and performance, specifically in the public markets. Often, companies in the same industry or sector compete on brand equity.

LITERATURE REVIEW

Social media is explained by Safko and Brake (2009, s.6) as "activities, practices, and behaviours among communities of people who gather online to share information, knowledge, and opinions using conversational media". In the last decade, a lot of changes have occurred in the media and it has experienced a lot of transformation (Mangold and Faulds, 2009). The forecasting process completed by The Boston Consulting Group (2014) had indicated that by 2016 there would be a growth in the Internet economy by \$4.2 tn. According to, the Internet World Stats (2014), the Internet users have been increasing day-by-day and cover 40.7% of the world's total population. Social media is basically a place where marketers can communicate with their consumers or potential customers and through which they can create a relationship with strong association (Kelly et al., 2010). Social media provides a platform for both the brands and the customers for interaction and sharing information with each other (Richter and Koch, 2007). These applications and platforms include social blogs, podcasts, weblogs, microblogging, wikis, pictures, videos and social bookmarking. The use of these applications are on the rise for the sake of communication as the business firms are using these as tools for communicating with their customers. Social media plays a very important role in the success of a brand (Phan et al., 2011). Kapferer (2012) pointed out that catwalk presentation videos are posted by Louis Vuitton (LV) on its Facebook page which gives an opportunity for the fans of LV to view the latest fashion and enjoy the activities of the show. An online chat system has been introduced by Burberry that provides 24-hour customer service. The Chinese customers of Burberry can make online purchase and can give feedback through the online customer service. The popular social media networking sites in China are kaixin001.com and douban.com that are used for online shopping. The local celebrity followers of Burberry on Weibo (a microblogging service) rose from 90,000 to 180,000 from early 2011 to January 2012 (Spillecke and Perrey, 2012). The five dimensions of social media marketing efforts of a brand are explained by Kim and Ko (2012) as: interaction, entertainment, customization, Word-of-Mouth (WOM), and trendiness. In 2009, Safko and Brake defined social media as "activities, practices, and behaviours among communities of people who gather online to share information, knowledge, and opinions using conversational media." (Safko & Brake, 2009). Moreover, social media is considered as a communication tool that works on web 2.0 platform

- this means that activities such as participation, exchange and sharing of information will appear among people (Robinson, 2007). Therefore, the main purpose of using social media is sharing information between businesses and consumers. And, one of the noteworthy platforms related to communication cannot be ignored is social networking. Accordingly, social network is a platform that allow users share personal information for others to exchange as well as communicate (Palmer & Lewis, 2009, p.162- 176). In addition, Ellison (2008) also defined social network in another way as "web-based services that allow individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection, and view and

traverse their list of connections and those made by others within the system".

Nowadays, social networks have started to become a potent networking force connecting people from every area in the world. It reinforces the process of socialization by being instant, cheap, and straightforward to use that having huge reach. According to Kemp (2017), there are 2.8 billion global users use social network at least once a month, which approximately amounts to about 37% of the world's residential. Moreover, the use of social networks also rose by 20% compared to 2016; especially, Facebook is still the most famous framework on the world with strong growth (Kemp, 2017). According to Davidson (2015), each person spends 1 hour 40 minutes on social networks every day, it accounts for 28% of internet usage. Moreover, the number of Facebook users has reached 2 billion in 2017, that turns Facebook into the largest and most influential social network in the world (Chaykowski, 2017).

Furthermore, based on the post of Barker (2017), there are 74% of shoppers have made a decision to buy based on information that they have retrieved from the social networks sites. Accordingly, it is very necessary to create intensive connections and participation between the consumer and the brand. However, several enterprises are not comfortable about how exactly to improve the customer engagement to enhance their brand equity through the use of social networks for internal or external purposes. Social networks are nevertheless immense among private persons (Wigmo & Wikström, 2012).

The appearance of social networks such as Facebook, Instagram, Twitter, etc. also re-structured the marketing landscape. It is seen as a platform to for marketer framework (Qualman, 2010, p.28). Initially, social network is only a platform that help people can communicate with others, but today it also considered as a search engine for people to find out about the company as well as the products they love. Recently, social media is a channel to distribute and transmit news that cannot be ignored (Mitchell, 2014, p. 2-8). Based on a research of Infographic, at least 50% of social networking users have knowledge of the company's products after they follow the company through social networks (Jackson, 2011). Furthermore, social media also allows people to share their experiences of branding products or services with friends (Stileman, 2009; Mangold & Foulds, 2009). Accordingly, social network is a new paradigm in marketing that has provided ample space for business organizations to maintain a successful, long lasting and value-added relationship with their customers. It means social networks has helped to transform business organizations from transactional relationship to a social relationship. The upper level of use and interaction of social networks significantly impacts on the commercial environment which is consequently exposed to the paradigm transformation, where hierarchies break down and the communication and interaction create larger and larger networks for all the stakeholders of the organizations. Therefore, in a well – designed social networks campaign, consumers will spread viral videos, create additional brand related content, tweet about the brand and post about their experiences. Moreover, by tapping into or rather establishing their own online social networks, firms can have an impact on a brand community and potentially influence consumer behaviour and consumer perception for the organizations.

In business, the term "engagement" was initially presented by Appelbaum in the year 2001. In the most recent two decades, the idea of "engagement" has been utilized in various fields including marketing, psychology, sociology, political science, and organizational behaviour (Hoffman, 2010). Shen (2014) used the term "customer engagement" and defined it as "the level of an individual customer's motivational, brand-related and context-dependent state of mind characterized by specific levels of cognitive, emotional and behavioural activity in direct brand interactions". Hence, Duffy agency (2012) emphasized that companies are now recognizing that "customer engagement" is also a more strategic way of looking at customer and stakeholder relationships. In addition, customer engagement is also considered as a positive interaction of a customer with a firm, with prospects and with other customers, whether they are transactional or non-transactional in nature, from that, customer engagement considered a critical thing that involve in the process of forming brand equity, particularly effect on all dimensions of brand equity (Clark & Melancon, 2013, p.12-13). Furthermore, customer engagement concentrates on customers and their needs with the main purpose is to provide outstanding value relative to competitors by creating, disseminating messages regarding customer needs and aims to build trust and commitment in relationships with customers.

As expressed before, with the appearance of internet, IT services and social networks, customers are moving from

traditional sources of communication and deciding on online product reviews posted by users on social networks as basis of their purchase decision making. Therefore, one of the factors that make the success of social networks is customer engagement, which is particularly relevant in social networks communication. It means customer engagement is viewed as a dynamic interaction of a customer with a brand, product, service, or organization which is expressed, for instance, by the creation of contents on social networks. According to (Dessart et al., 2015), customer engagement includes all consumer- to-firm interactions and consumer-to- consumer communications about the brand. Even the smallest of gestures, like putting a comment or "like" on a social networks page can also be interpreted as a form of engagement (Constantinides, 2014).

On the other hands, levels of customer engagement based on the types of consumers' online brand-related activities (COBRA) identified by (Drury, 2008). Customer engagement with brand social networks pages could be analysed by implementing three continuous levels that corresponding to a steady involvement with a brand on social networks, particularly consuming, contributing and creating (Golder et al., 2012) as follow:

- The first level corresponds to consuming activities. It called "cognitive". It refers to users who only watch, read, or view content but never participate or create content. It means a large number of customers are only utilizing content, but at the same time only few are contributors and creators of content.
- The contributing type is the middle level of online brand-related activity (Hollebeek, 2011). It called "emotional". It includes both user-to-content and user-to-user interactions about brands. Customers, who are contribute content, enjoy writing on brand's fan pages on social networks and always eager to comment on pictures, videos and other brand – related content are permanently interested in discussing content that others have created that related with brand (Muniz & O'Guinn, 2011).
- The creators are the most active of the three levels of COBRA. These customers are a frequent producer and publisher of brand related content that others users will probably consume and will be able to contribute and discuss. It called "behavioural".

Therefore, to provide contents that engages consumers online, one of the objectives that brands must understand consumers' motivations for interacting with a brand through social networks.

Each brand is each structure that creates value for both firms and consumers through different ways. It can be said that creating brand equity, or building a strong brand, is an effective strategy for discerning a brand from other of competing brands. So, brand equity has become a vital topic in the business world, and its suitable measures can deal with a number of marketing and brand managers' concerns. Brand equity can be defined as "a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers" (Aaker, 1991). It is usually assumed to contribute to a company's long-term profitability. Further, brand equity is "a set of perceptions, knowledge and behaviour on the part of customers that creates demand and/or a price premium for a branded product—in other words, what the brand is worth to a customer" (Siraj, 2012). It means brand equity is considered as the value that consumers associate with a brand. It is exactly the customers' perception of the overall standards of product/service carrying that brand name when compared to other brands. Brand equity represents customers' perception rather than any other objectives. Thus, brand equity can be regarded as a concept that forecasts that customers will have a trend to decide to choose a well-known branded product as an alternative of an unbranded one.

On the other hand, according to (Aaker, 1991), brand equity "is a multidimensional concept, it is composed of brand loyalty, brand awareness, perceived quality and brand associations". These categories are measurements which represent the perception of the brand, from the view of the consumer. Moreover, (Keller, 1993) identified that brand equity focuses on brand knowledge with its two components namely brand awareness and brand image. However, the research focus more on Aaker's concept of brand equity because this concept is widely and used by the researchers:

It can be seen that a brand will have higher brand equity when brand awareness increases to a higher level, and as consumers hold stronger, and more favourable and unique brand associations. Companies can improve brand

awareness and brand image (an outcome of perceptions and association) through enhancing customer engagement on social networks sites, resulting in brand loyalty reinforcement and then forming brand equity.

There are many studies showing relationship between social media and brand equity like Brunhn et al (2012), Vries & Carlson (2014), Kim & Ko (2012), Schivinski & Dabrowski (2014); Kapoor, P.S. Jayasimha, K.R, & Sath, A. (2013) and Christodoulides et al (2012) etc. Some studies have shown this relationship through electronic word of mouth which is the ultimate result of social media communications like Wolny & Mueller (2013); Bambauer-Sachse, S., & Mangold, S. (2011); Yasin and Zahari (2011) and Murtiasih et al (2013) etc. Bruhn et al (2012) have used the term social media communication for social media as it is mainly the communications which take place on social media platforms. The marketers or brand managers mainly aim for communication objectives on social media platforms. Hence Bruhn et al (2012) and Schivinski & Dabrowski (2014) have used the dimensions of social media communication as firm created content and user generated content. Godes and Mayzlin(2009) suggest that firms try to create WOM among the consumers which can be called as firm created WOM. As these WOM are firm initiated, it can be said that firm created content engineers the WOM on social media platforms. Further, Cheung and Thadani (2012) suggest that it is the nature of online review platforms which influences the electronic word of mouth (E-WOM). The platform can consist of firm created content as well as user generated content. Hence, the study derives the following propositions:

P1: Firm created content has a significant impact on electronic word of mouth (EWOM). P2: User generated content has a significant impact on electronic word of mouth (EWOM).

The two main frameworks that can explain brand equity in an appropriate manner are those of Aaker (1991) and Keller (1993). According to Aaker (1991), brand equity is a multidimensional concept with first four core dimensions as brand awareness, perceived quality, brand associations and brand loyalty. Keller's (1993) brand equity concept focuses on brand knowledge with its two components namely brand awareness and brand image. The study focuses on Aaker's concept of brand equity as this is widely accepted and used by the researchers. Various literatures suggest that there is a strong relationship between E-WOM and brand equity dimensions. According to the studies of Yasin and Zahari (2011); Murtiasih, Sucherly, & Siringoringo (2013); Severi, Ling, & Nasermoadeli (2014); Rezvani, Hoseini, & Samadzadeh (2012), it is evident that E- WOM significantly influences the brand equity dimensions namely brand awareness, brand association, perceived quality and brand loyalty. Therefore, the study has the following propositions:

P3: E-WOM has a significant impact on brand awareness. P4: E- WOM has a significant impact on brand association. P5: E-WOM has a significant impact on perceived quality. P6: E-WOM has a significant impact on brand loyalty.

Brand equity dimensions further contribute to the overall brand equity. According to the study of Yoo, Donthu & Lee (2000), the brand equity dimensions namely brand awareness, brand association, perceived quality and brand loyalty significantly influence overall brand equity. Hence the study derives the following propositions:

P7: Brand awareness significantly impacts the overall brand equity. P8: Brand association significantly impacts the overall brand equity. P9: Perceived quality significantly impacts the overall brand equity. P10: Brand loyalty significantly impacts the overall brand equity.

Based on the propositions, the study develops a conceptual model showing the dimensions of social media communication influencing electronic word of mouth which further influences the brand equity dimensions and finally the dimensions of brand equity contribute to the overall brand equity.

RESEARCH METHODOLOGY

Research used questionnaire in order to measure. The study questionnaire benefited from the statement used in the social media measurement. Questionnaire were delivered to 150 respondents, youngsters were selected with convenience sampling.

DATA SCREENING

This research is an associative research that explains the influence between variables and directed to the relationship model of variation orientation variable social media marketing, value equity, brand equity, relationship equity and customer equity. The study is located at college students. This study used non probability sampling with a sample number of 150 youngsters. The data collected were primary data from the questionnaires distributed in the sample using likert scale measurement, observation. Data processing begins with validity and reliability tests. Data analysis technique in this research using multiple regression analysis.

FINDINGS

The results show the close relationship between the use of social networks and brand equity. If a brand is well positioned on social media it will generate greater brand awareness, which carries a significant impact on the image of the brand. In other words, the adoption of communication on social networks represents an opportunity to generate competitive advantages for the brand and to improve the performance of the brand. Faced with these results two questions arise:

- How do social networks influence the performance of the brand?
- How to develop an online strategy to manage the brand?

In the first place, social media communication helps customer to identify and know the brand much better. Consequently, brand managers committed to communicate on social networks can improve their positioning against competing brand. To raise brand awareness, it is advisable to communicate the values of the brand's identity, through the symbology of the brand, thus generating a more attractive brand personality for customer who are increasingly exposed to different social media content.

Second, the relationship between the cognitive and affective components of the image suggests that it is not enough only to offer content on your brand on social media (e.g. tourist attractions and promotions); it is necessary to promote the values of the brand that provoke a positive emotional response. Brand managers must analyse the unique personality of the brand and adopt these values in their online strategy. One of the strategies that can be applied is the so-called "Inbound Marketing", which focusses on creating value content that arouses the interest of the target audience and provokes positive emotion. As observed in the present study, content that positively influences the affective image of the brand provokes a favourable attitude on the part of consumers and an intention to recommend the brand.

Third, it has been shown that brand identity has a positive relationship with brand quality and customer value. Customers evaluate the quality of the brand as higher the greater their perception of quality of making their life easier, relieve a concern. Therefore, it is very important, to meet the customer's need, that the brand strengthens these aspects.

Finally, it has been shown that content generated by users through the use of social media has a significant impact on brand equity. It is therefore recommended that brand managers incentivise customer to generate more content on the brand by creating popular hashtags, organising photo contests, blogs, and more. In other words, a communication strategy based on active participation through social media is a competitive advantage for the brand, because of its relevance to brand equity. In the business, customer engagement is seen as the key to create customer loyalty and brand equity. An effective marketing communication will help enhance perceived brand equity, brand loyalty, brand association and brand awareness. Whereby, "watching, sharing and commenting" in social media are activities that create brand awareness as well as brand image. Accordingly, the information generated by the enterprise only has an impact on the perception; meanwhile, user-generated content has a significant influence on brand awareness, brand loyalty and perceived brand quality. Hence, customer engagement is really important to brand results.

In the society that the internet is developing quickly as today, the concept of customer engagement is very noticeable. Customer engagement is "capturing customer attention emphasizing "touch points" when marketing products or services." Nowadays, with the diversity of media new shopping experiences, customer engagement

considered as effort of company by relationship between consumer and company to able to achieve word of mouth marketing and increase sale in the future. Moreover, companies need to leverage media to impress consumers instead of using it as a form of branding. Presently, there is no denying the development of technology, especially the website that has provided the company with interactive platform for customers. Riquelme (2001) said that website interaction is one of the main factors, which create brand equity. Barreda (2014) found that positive interactions on the website will improve brand knowledge (brand image and brand awareness) as well as brand equity. For instance, when customer satisfy a product of brand, they will give some good comments; from that, it will generate brand knowledge among other customers. Therefore, interactions in social media will directly affect the customer's perception of the brand equity. Brand association is a specific perception, maybe real or imaged, that a customer has about a product, service or organization." Similar to brand knowledge, customer interactions in social media also impact on brand association. Accordingly, positive interactions will help increase the value of intellectual property, patents, trademarks, branding channels; because these interactions enhance the brand image, so brand assets will also be positively affected.

Beside positive interactions, negative word of mouth is harmful to brand equity. When customers are not satisfied with a product, service or company, they will share negative experiences in social media. The bad values will create negative perspective for customers. This will make customers leave the company as well as share negative comments in social media that negative affect dimension of brand equity. An existing relationship between customer and company will able to help the firm can achieve relationship marketing strategy. Whereby, the last purpose of this strategy is to convince customers to use the company's products or services.

CONCLUSION

The present research analyses the effect of the intensity of use of different social media on destination brand equity; specifically, in the dimensions of brand awareness, image, quality, value and the intention to make WOM and e-WOM communication. The results show that intensity of social media use significantly influences brand awareness. In turn, awareness has a positive relationship with cognitive and affective image of the brand, brand quality, customer value and the intention to make e-WOM. As for the relationship between the two dimensions of the image, the results show that the affective image derives from the cognitive image.

The analysis of the relationship between brand awareness and the image components shows that the information that customer finds on social networks changes the cognitive image of the destination brand, but does not lead to a recommendation to other. The customer recommends the other customer only if the information received provokes a positive emotion. Consequently, the affective image becomes the most important driver of prediction of consumer behaviour.

In addition, the positive relationship between brand awareness and destination quality and customer value has been confirmed. Customers who obtain information about the brands on social media have increased brand awareness and, at the same time, use quality and value as filters for the functional evaluation of the destination. A positive comparison will affect the behaviour of the customer through his intention to recommend the public both offline and online. Therefore, I observe an indirect relationship between the use of social media, awareness, quality, value and the intention to make WOM and e-WOM communication.

Finally, it should be noted that these results constitute a contribution to the study of the effect of the use of social media on brand equity. The verification of the hypotheses that make up the proposed model allows a better understanding of the dynamics of the relationship between social media as a source of information and its effects on the dimensions of brand equity, including the recommendation to others.

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ANALYZING THE IMPACT OF ERP ON IMPROVING BUSINESS OPERATIONS OF MNC'S

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INTRODUCTION

There are two schools of thought concerning the origins of ERP software (Adam and Sammon, 2004). One route to ERP came from engineering and the desire to control inventory, the other from finance and the desire to control expenditure. Closer attention to excess inventory and efficient use of raw materials led to the Material Requirements Planning (MRP) approach to planning, promoted strongly by the American Production and Inventory Control Society (APICS) during the 70's. Orlicky (1975) has described how managers and researchers came to realise that a computer enabled the detailed application of the MRP technique by actors on the factory floor. MRP software was developed as a computerised approach for the planning of materials acquisition and production. As the use of these applications became more widespread, the software was extended allow the planning module to be updated with feedback from the execution cycle (closed loop MRP). So closed loop MRP, together with some financial modules, developed into an integrated approach to the management of manufacturing resources, termed Manufacturing Resource Planning (MRP II). In parallel, companies had been looking at methods to standardise and consolidate financial information to produce monthly operating statements and balance sheets. The reason that Finance is considered as the "first point of entry" for information systems is that this function is already standardised in terms of its data collection and analysis methods (Muller, 1992). Indeed, Besson (1999) discusses how ERP implementations affect the value system in an organisation such that industrial experience, such as product knowledge, manufacturing know-how etc. is usurped by the obsession with low-level operational cost data required by "Finance's Trojan Horse".

From a technical point of view, ERP systems are based on a client / server architecture providing support to integrated business processes across organisational functions. Stefanou (2000) defines ERP software as a set of customisable and highly integrative real time business application software modules sharing a common database, which support core business, production and administrative functions, such as logistics, manufacturing, sales, distribution, finance and accounting. Another definition was proposed by Sammon and Adam (2000) who have said: Electronic Journal of Information Systems Evaluation Volume 6 Issue 2 (2003) 21-32 www.ejise.com

©Academic Conferences Limited 22 "ERP systems are integrated enterprise-wide software packages that use a modular structure to support a broad spectrum of key operational areas of the organization". ERPs provide a transactional backbone to the organization that allows the capture of basic cost and revenue related movements of inventory. In so doing, ERP systems afford better access to management information concerning business activity, showing actual sales and cost of sales in a real-time fashion. Kalakota and Robinson (1999) stress that the popularity of ERP systems has stemmed from the fact that they appear to solve the challenges posed by portfolios of "disconnected, uncoordinated applications that have outlived their usefulness". Holland et al. (1999a) agree, stating that one of the major reasons for the shift towards ERP packages is the need to deal with legacy systems. ERPs are designed for multi- site, multi-national companies, which require the ability to integrate business information, manage resources, accommodate diverse business practices and processes across the entire organization. Wood and Caldas (1999) found in their survey of 40 organisations having implemented ERP that the main reason to implement ERP was the need to "integrate the organizations processes and information". Davenport (1998) stated that large companies collect, generate and store vast quantities of data which is "spread across dozens or even

hundreds of separate computer systems, each housed in an individual function, business unit, region, factory or office". These localized legacy systems have a huge impact on business productivity due to the workload of rekeying, reformatting, updating, debugging, etc. When management is relying on information from incompatible systems to make decisions, instinct becomes more important than sound business rationale. More generally, the growth in popularity of ERP systems can also be linked to an increasing business trend towards globalization, mergers and acquisitions. To be successful, a global company must be able to control and co-ordinate their various remote operating units. Accurate, real-time information provided by an ERP system has the ability to integrate the more remote subsidiaries into corporate practice because an ERP system allows the sharing of information in standard format across departments, currencies, languages and national borders. Thus, ERP systems can be used to provide a "common language" between units .

Some of the benefits achieved by companies looking to harness the tight global coordination afforded by ERP systems are : *f* Streamlining global financial and administrative processes *f* Global lean production model *f* Rapid shifting of sourcing, manufacturing, and distribution functions worldwide in response to changing patterns in supply and demand or to changing local cost bases *f* Minimise excess manufacturing capacity *f* Reduce component and finished goods inventory Davenport (1998) describes how Owens Corning, for example, adopted ES to replace 211 legacy systems. For the company to grow internationally, it was critical to co-ordinate order- management, financial reporting, and supply chain processes across the world. Having implemented the system and established a new global procurement organisation, the company is now able to enter into larger more advantageous international contracts for supplies. Finished goods inventory can be tracked daily, both in company warehouses and in the distribution channel, and spare parts inventory has been reduced by 50%. The company expects to save \$65 million as a result of the adoption of these globally coordinated processes.

Difficulties in implementing ERP

In order to achieve the integration of all the basic units of the business transaction, ERP systems rely on large central relational databases. This architecture represents a return to the centralised control model of the 60's and 70's, where access to computing resources and data was very much controlled by centralised IT departments. Therefore, ERP implementations are an inherent part of a general phenomenon of centralisation of control of large businesses back to a central corporate focal point. The resulting standardisation in business processes allows companies to treat demand and supply from a global perspective, consolidate corporate information resources under one roof, shorten execution time, lower costs in supply chains, reduce stock levels, improve on- time delivery and improve visibility .

Academic Conferences Limited 23 of product assortment with respect to customer demand. The technical risk associated with the ERP implementation is lower than that experienced in the development of bespoke systems , but critical business-related difficulties remain . The main implementation risks associated with ERP projects are related to change management and the business reengineering that results from switching to the ERP software's underlying business model .

Unsurprisingly, the main benefits of ERP implementation are derived from solving these business problems. Thus, although sometimes seen as large information systems projects, ERP projects are in fact change management projects where basic business practice will change to align with the "best practice" as defined in the ERP business processes. Staehr, Shanks & Seddon (2004) highlight the danger of not critically examining existing business processes, quoting a logistics manager involved in a SAP implementation as saying "if the process was wrong, all that SAP enabled us to do is do the wrong things quicker". On the other hand, adapting business processes to a global template does not necessarily yield the same benefits across the local subsidiaries of a multinational. Butler (2004)

quotes a case where the global visibility of demand as afforded by a single instance ERP system does not take into account fluctuations in local demand (eg. high levels of inventory maintained due to local agreement with customers). Hence some plants might not compare favourably with others serving different customer groupings. ERP systems are also frequently vaunted by over-zealous vendors for contributing to competitive advantage, company performance and even shareholder value. Fundamentally however, ERP systems are simply the tools for recording and managing all costs and revenue items within the enterprise, be they associated with product, people or cash. With a structure in place to record this level of detail for an enterprise, ERP systems when implemented are notoriously weak in providing reporting adapted to the needs of the business managers. This is frequently due to the fact that the huge effort required in implementing the basic functionality left little room to look at the post go-live reporting requirements.

Also, although the core system contains all the transactional information required to manage the business activity, managers can't run reports off the live system as they impact on core system performance and therefore slow down response times for other users. Secondly, information hungry ERP systems require more data than non-integrated legacy applications, therefore extra resource is required to manage data (a process engineer complained that there was no IS support available 18 months after go-live because they were occupied with data maintenance tasks). So business managers, having implemented an ERP system to help understand the company's cost base, margins and profitability, are still short on reports and information that will help them to measure and interpret company value. In short, they have the tools in place to manage the data generated by the different tasks and processes that make up organisational activity. This is a pre-requisite for being able to answer the question "are we doing things efficiently". What ERP systems cannot answer, however, is "are we doing things effectively". One of the fundamental questions in this research is whether changing the organisation to incorporate "best practice" as epitomised in ERP processes does actually impact the effectiveness or value of the business. Thus, for many organisations, the real challenge of ERP implementations is not the introduction of new systems, but the fact that they imply "instilling discipline into undisciplined organisations".

In that study, one of the firm's Vice Presidents is quoted as saying: It is very hard for people to change from things they know well and are good at. We find that people who were most effective in the old environment were those who knew how to "beat the system". With SAP beating the system is not good; what's good now is discipline. These people have a lot of unlearning to do and it's painful. Because they are modular, ERP systems allow some degree of customization (ie. selection of modules best suited to the business's activities). However the system's complexity makes major modifications impracticable.

Vendors would insist that the more customized an enterprise system becomes, apart from the time and cost impact to the project, the less able it will be to communicate seamlessly with the systems of suppliers and customers. A configuration table enables a company to tailor a particular aspect of the system to the way it chooses to do business. An organization can select, for example, the functional currency for a particular operating unit or whether it wants to recognize product revenue by geographic unit, product line or distribution channel. SAP's R/3, for example, has more than 3,000 configuration tables. The set-up of the Accounts Receivable module of Oracle involves over 50 configuration screens. This complexity often results in extravagant costs in making any modification to the software, however minor the change may seem

Impacts of ERP on the organisation

Much of today's research in the area of organisational learning and knowledge management deals with the difficulties of creating and harnessing the value inherent in employees know-how and ways of doing business. This begs the question as to why so many companies are willing to throw out what they have learned in favour of practices they know nothing about. And, when they do so, what evidence is there to suggest that companies do achieve their stated aims of improved efficiency by adopting these industry best practices? Indeed, no organisation plans to "brutalise"

its personnel by implementing a Big Brother style control systems that don't let a single expenditure go unnoticed. However, it is clear that there is little to prepare employees for the changes in the organisation of their day to day work and sources of support. Davenport (1998) showed the paradoxical impact of ERP on companies' organisation and culture.

On the one hand, by providing universal, real-time access to operating and financial data, ERPs allow companies to streamline their management structures, creating flatter, more flexible, and more democratic organisations. On the other hand they also involve the centralisation of control over information and the standardisation of processes, which are qualities more consistent with hierarchical, command and control organisations with uniform cultures. From a business perspective, information that was tracked manually or not at all will now have to be recorded religiously in the system in order for automatic triggers to process transactions and move on to the next stage in the process. A de-humanising element is present where information demands now come from the system rather than a colleague. The give and take of corporate relationships is replaced by the all ungrateful and information hungry system. Davenport (1998) asks, for a multinational, how much uniformity should exist in the way it does business in different regions or countries? For most companies, differences in regional markets remain so profound that strict process uniformity may actually be counterproductive. Companies must remain flexible and allow regional units to tailor their operations to local customer requirements and regulatory structures. Davenport recommends a type of federalist systems where different versions of the same system are rolled out to each regional unit, e.g. Monsanto, HewlettPackard and Nescafe have found this approach successful. This raises its own problems for the company, i.e. deciding on what aspects of the system need to be uniform and what aspects can be allowed to vary (Horwitt 1998). In Europe, ERP projects are more complex than in North America, because of diverse national cultures, which influence organisational culture and make successful implementations of multinational ERP solutions difficult. Thus, failure to adapt packages to fit the national culture leads to projects, which are expensive and late (Krumbholz 2001). Also, users can no longer hide behind their mistakes (Staeher, Shanks, Seddon, 2004), forcing new visibility and accountability. Thus, multi-nationals face a choice between using their ERP as a standardisation tool or preserving (rather tolerating) some degree of local independence in software terms (Davenport, 1998). Most local subsidiaries do not have a say in the decision to implement ERP, so it is usual that the global solution lacks some capability to deal with the local requirements. This notion of global vs. local requirements is a recurring theme in the research. Our study seeks to understand the essential trade-off of centralised control against local autonomy, and what this means for the competitive advantage of the local organisation.

Academic Conferences Limited 25 Ward & Griffiths (1996) look at the models that have been used to present these conflicting forces of control and flexibility (in the context of IS planning), and within which organisations must attempt to steer the best path. They discuss various approaches to IT planning, including the Infusion / Diffusion model proposed by Sullivan (1985). Using this model, which was intended to demonstrate the different approaches to IT planning, we can depict the evolution of the use of information systems in the organisation. In particular, ERP systems may be depicted as a function of the drive to integrate ever greater business functionality and the drive to control the means of delivery of this functionality. High "Opportunistic" "Complex" "Traditional" "Backbone" Low High Infusion – degree of dependence of the business on IS/IT Diffusion – degree of decentralisation of IS/IT control in the organisation Internal Organisational Pressures – demanding further distribution of IS/IT control organisation External Competitive Pressures – increasing the criticality of IS/IT to the business ERP Figure 1: Environments of IS / IT planning (Sullivan, 1985) in Ward & Griffiths (1996) Firstly, infusion is the degree to which an organisation becomes dependent on IS/IT to carry out its core operations and manage the business. Diffusion, on the other hand, is defined as the degree to which IT has become dispersed throughout the organisation and decisions concerning its use are decentralised. These axes reflect the "opposing" forces of automation in industry : 1. creating advantage from tools by working with them close to the point of application (possibly inventing new and

unforeseen uses of tools depending on immediate business need) : this emphasises the notion of effectiveness 2. keeping control of resources and skills so that the benefits of automation can be shared throughout the organisation : this emphasises the notion of efficiency ERP is considered low diffusion because it is by nature a centralising force in the organisation, often chosen to consolidate disparate legacy systems and standardise across variations in business practice. It is high infusion because it has the effect of spreading the threads of integration across the business functions. The model is useful as it allows us to portray the balance between the 2 elements of any business process automation, the organisation (real) and the information (virtual). Humphries & Jimenez (2003) adds to this a third dimension, which is how real-time the information needs to be, arguing that the requirement to operate the virtual enterprise at, or near, real-time will continue to grow.

RESEARCH DESIGN

Findings

Longitudinal case study In the first of the case studies quoted above, an interpretive / longitudinal case study approach was taken. Information was gathered via questionnaires and face-to-face interviews with the project team. The first questionnaire (concerning the objectives, benefits and project team organisation) was distributed to all team members during April . Because our access to this site was excellent, in this case study, we were able to ask key Project personnel some questions on the expected level of impact on the business. . Taking the same basic format, but using some of the information gathered during the first survey, the second questionnaire was distributed to team leaders during may.

Questions centred on the key outstanding issues as the design was being locked down. Known or proposed workarounds for these outstanding issues were discussed. Areas where SAP functionality would improve the business process were also highlighted. This stage also involved interviews with the local Information Systems team. The researchers also attended Gap analysis workshops facilitated by the global roll-out team, where the team formally presented perceived gaps and impacts to the business. Workshops for Planning, Production and IS were attended There may be good reasons for this divergence. Different processes are subject to different levels of change in a large integration project of this sort. In this ERP project, there was a subtle change in the team's motivation (which coincided with the first chance to get some hands-on experience with the application modules), moving from an attitude of this being a "necessary evil" to one where team members begin to feel "this isn't so bad, in fact there's some good functionality here". It is vital for the team to make this transition, the risk being that if they don't, users out in the organisation, with much less exposure to the new functionality than the global roll-out team, will not make it either. As "ambassadors" for the new system, their own commitment will directly influence that of the business in general. **Post-implementation study** The other three case studies, both postimplementation, were interview based. Key personnel in the manufacturing, finance and information systems functions were interviewed to solicit feedback on the impacts of the move to a global single instance ERP system. Face to face interviews and questionnaires were used. Based on our observations, subsidiaries of multi- national companies that are implementing a global ERP solution frequently find themselves in a position where the changes are imposed rather than designed. There are specific changes to the local business functions (steep learning curve on new business processes, more dependent on corporate resources, less authority to introduce local process changes, loss of ownership of data). There are equally quite dramatic changes to the role of the local information systems support function, who have usually lost control of the hardware and software resources used in satisfying user demand.

Furthermore, they have often seen their responsibilities dramatically narrowed down to data maintenance and desktop support duties. The following sections contain a catalogue of the problems we have observed at the sites we visited. **Problems with data entry into the ERP package** One of the first changes to the organisation imposed by

integrated ERP systems is that they push the responsibility for data correctness and completeness back to the point of entry. A sales rep taking an order on behalf of a customer is driven by the desire to see the order processed as quickly as possible so that the revenue can be recognised and commission payments made. This can represent a significant cultural change in organisations where the sales function is used to much more freedom in the manner in which orders are recorded, often with a sales administration function doing the clean-up of the order behind the scenes. The net effect can be a sudden increase in data entry for the sales function. A multinational high-tech manufacturer admitted from the start of their implementation project that they were going to suffer a 10% increase in workload in the Sales Admin function.

However, use of the new sales order functionality implied a heavier workload on Order Entry (more screens, each with more fields) than previously on legacy systems. Therefore a change to the organisation would be required before any net benefit could be derived. In the Pharmaceutical subsidiary, extra data entry staff are required to input Purchase Orders (created in SAP) into the Fixed Assets module of SAP. The presumed goal of integration was not achieved in this case and this does not seem to have been anticipated until it was time to go live.

Loss of Productivity The biggest single concern of management at another pharmaceutical manufacturing site we visited was how to maintain its hard won reputation for excellence and efficiency (eg. number of shop-floor technicians employed per compound manufactured) in the face of expected changes to the organisation due to a corporate ERP implementation. This organization rates its customer responsiveness as its top core competence, proud of its ability to deliver 98% of customer orders within preset lead times. It achieves this today in some cases by being able to "express" deliver unplanned orders from customers, even to the extent of turning around an order within one working day. Managers' concerns arise from the news of a sister site in the previous stage of the global roll out, struggling to recover from the drastic reduction in its on-time customer delivery rate from 92% to 64%. In the procurement cycle, pushing the responsibility for correctness of data and approval back to its source (any creating or approving a purchase) also has significant organisational impact, and one that no amount of training can prepare the company for. In another company we visited, managers balked when the head of international finance, responsible for several billion dollars worth of revenue, was inundated with hundreds of purchase requisitions after go-live. The team in charge of the purchase approval hierarchy, which had spent months trying to get the users to co-operate in configuring approval levels, suddenly got a lot of close cooperation when it was too late to make substantial changes without reworks to the software configuration.

Aiming ERP at a moving target A high-tech company implementing a single instance global Oracle system found that the business needs (or core value) of fast execution changed during the 24 months it took to implement. Initially chosen because of its "scalability", that is its ability to grow and expand with the rapidly growing demand for products, the ERP solution was replacing creaking legacy systems which were barely able to cope with each new quarter end. By the time the system was going live, the demand for products had dropped dramatically, and the business value was no longer geared towards execution of orders, rather it was getting the orders in the first place. Thus, ERP projects can also fail because they try to match the stable and monolithic functionality of the ERP package to the moving target of the challenges facing the organisation.

Changes to routinised processes towards less flexibility The discipline imposed by the system can again introduce strain in processes where there may have been greater flexibility in the past. Staff shipping product are not responsible for the accuracy of the configurations in finished goods compared to the sales orders to be fulfilled, but they will feel the pressure most acutely if the system is preventing them from shipping product with what they would feel to be marginal differences with the sales order. Even the simple fact of working off a single global customer database can create problems for subsidiaries with different local practices. Global customers may have complex legal structures with different legal entities in different countries, albeit rolling up under the one parent company from a financial perspective. What is an acceptable bill-to address for a customer in the US may not be acceptable in

Japan. One manufacturing company found 40 occurrences of the same customer name in their legacy systems. While this was acceptable as long as each country knew from experience which customer number corresponded to the active one, this is not transferable to a global system, which will change all customer codes and refuse duplicates. Certainly an ERP system will impose discipline in terms of working with global data sources, but this discipline is often perceived as a loss of flexibility and lack of adaptability. Many ERP systems require that all inventory movements on the floor be associated with work orders, such that inventory gets consumed as the work progresses. In the high tech manufacturing company we visited, the inhouse production model didn't match this concept for 2 main reasons: *f*

The starts plan for products are not work orders in that they do not yet relate to a specific sales order. Instead they are a best guess for finished goods requirements at quarter end. This is a build to stock scenario. *f* Components that are "consumed" at the beginning of testing may well be returned to inventory when a product is "deconfigured" for allocation to a specific sales order For this reason, a workaround involving the definition of Standard Starts Configurations (as work orders) was created. These standard configurations allowed inventory to be consumed / returned, but do not form the basis of a match with a sales order.

Customisation

The multinational high-tech company we visited was quoted a \$1m modification budget for a customization to the system to allow lines to be shipped from a sales order independently of each other. In some cases, these small, but prohibitively expensive changes matter a lot for the proper operation of the firm. A pharmaceutical site we visited found that the automatic determination of batches from the warehouse to satisfy process orders precludes them from making any changes to batch weights as the process orders progress through manufacturing, a simple facility of their legacy system that they had been using routinely for years.

Most ERP systems operate user representation groups (eg. Oracle Application User Group, Sapphire group for SAP users) so that required modifications and enhancements can be channeled back into the application in new releases and "patches". These enhancements are released on an irregular basis, and are subject to the vendors view of the "marketability" of the updates. This means that a company with an unusual process requirement may not be able to generate any interest in their customization because few other users have the same requirement. The same is doubly true for a local subsidiary of a multi-national relying on centralised IS support for systems modifications. An Italian subsidiary of a high-tech multi-national, for example, had to wait 18 months before the IS department would look at a VAT report (the report took a matter of days to develop, test and implement), simply because the requirement was not perceived as global. So ERP customers can end-up caught in a quandary of : *f* no choice in the selection of the software solution (based on global requirements) *f* huge commitment to the ERP project in terms of power users, training and cutover (particularly in smaller subsidiaries where fewer users handle more tasks) *f* implementation support which rarely takes into account local user constraints (eg. language) *f* no capacity for customizing the software (only vanilla ERP functionality used) *f* no support for local reporting requirements if they do not benefit the global organization *f* no local support as the solution has been built, designed and is run by a centralized core team *f* no support for interfacing from the ERP solution to local systems The typical scenario in these instances is that the local user falls back to downloading information from the ERP system, and uses local applications to solve transactional or reporting needs (severely damaging the integrity of the entire solution).

In the Italian subsidiary of a high-tech manufacturer, the ability to produce invoices dated with the customer delivery date (instead of the product ship date) was taken away by the implementation of the ERP system, and no alternative proposed. Although from a corporate perspective the stated objective of implementing ERP to shorten the financial close period to 2 days has been achieved, for at least one subsidiary this has meant the loss of the ability to automatically invoice customers.

The workaround has been to put a hold on the invoice generated by the system, make the date change modification to the system generated output, and then release it. Electronic Journal of Information Systems Evaluation Volume 6 Issue 2 (2003) 21-32 www.ejise.com ©Academic Conferences Limited 30 This example illustrates the situation where the further users are (physically or hierarchically) from the central solution, the less likely they are to derive benefit from the application. A Financial Director for the same company, referring to the fact that modification requests tend to be met with a barrage of bureaucracy, except if they came from the headquarters themselves, said "It's still a question of location, location, location".

QUESTIONNAIRE

1.) Analyzing the impact of ERP on improving Business operations of MNC'S.

i). Gender ?

- a) Female b) Male

ii). Age Group ?

- a) 16-29 b) 30-45 c) 45-60 d) 60 above

iii). Since how many years have you been working within the organization? 0 to 5

- a) 5 to 10 b) 10 to 15 c) More than 15 yrs

iv). Does your company has implemented ERP in the organization?

- a) Yes b) No

v). Do you think due to implementation of ERP your Business Process has restructured?

- a) Yes b) No

vi). Do you think the working culture has changed completely after implementation of ERP?

- a) Yes b) No c) Other:

What do you think about the work load in the organization after implementation of ERP?

Work Load is very much and task are not finished on appropriate time Work Load is very much but due to participative environment employees are able to complete their task Work Load is evenly distributed and employees are able to complete their task on time Work Load is less as compared to other companies

vii). Do you think ERP & BPR implementation is able to develop a systematic and work culture?

- a) Yes b) No

viii). Do you think that ERP and BPR implementation are helpful in costreduction and increases productivity?

- a) Yes b) No

ix). Does due to Business Process Restructuring goals and task are clearly defined for increasing productivity?

- a) Yes b) No

x). Does the management keeps track on the activities in the organization due to ERP implementation?

- a) Yes b) No

xi). Does the problems are resolved in an efficient manner with the help of ERP Solution of the company?

- a) Yes b) No

xii). Are you satisfied with information sharing within the organization due to ERP Solution Implemented in the organization?

- a) Yes b) No

xiii). Rate your satisfaction with ERP and Business Process Restructuring in the organization.

Very satisfied Satisfied Neutral Dissatisfied

CONCLUSION

There is a limiting factor, and this brings us full circle. Small suppliers do need to integrate with their larger suppliers' ERP systems, but their internal processes and requirements will often be very different. Many will buy the ERP application that most suits their internal use and seek to integrate it with whatever applications are used by organisations they trade with.

In other words, tier-two fragmentation of ERP is not just something that exists in large organisations, it is also a fact of life across broader business communities. The interests of ERP users are so diverse that the market will continue to support a wide range of products, including those for enterprise-wide needs and those for specialist niches, and the various products will always need to talk to each other at some level.

While SAP has the largest marketshare for ERP applications, there still leaves a lot of share for other suppliers, the names of which may not trip off the tongue. It can be hard to find out where the applications of some of the smaller players are being used.

Tying down ERP market share is tricky. Large enterprises also buy mid-market products. That is not to say they ignore the big players, but they select certain products to fit niches that SAP and Oracle do not serve well. SearchManufacturingERP.com gives the example of French company Areva using Infor SiteLine for site operations alongside SAP for its financials. It felt the Infor product was more cost-effective and easier for its employees to learn to use for that particular purpose or group of users.

RECOMMENDATION

Decision to implement ERP

Studied organizations also had number of factors as their project objectives. When analyzing successes and failures of ERP implementation it can be seen that those who identified need for standardizing business processes or need for reengineering business processes have gained better results. This could be due to the fact that ERP systems usually demand substantial process improvements and those who intended for this change are likely to be well prepared for this huge change in the total business than others. Therefore it could be recommended that when taking the decision for implementing an ERP, study the organizational business practices and see if a change in business practices would result in improved performance and if the company is ready for it. The key is ERP implementation is not a S/W project, rather it is a process improvement project.

Planning and implementing process improvements and change management

Without this step getting right it is very unlikely to get a successful ERP implementation. Mainly this include designing the correct processes with new system, gap analysis to identify essential deviations from standard practices, making people ready for the change, making other resources available for the new processes at the right time and recruiting required additional resources.

Process design and GAP analysis step needs to be performed by experts in company business processes with the involvement of ERP specialists. It is very much recommended to form cross functional teams comprising of key resources from all functions of business to take part in this stage. After the completion of this step it is recommended to analyze how these changes going to affect all employees and they need to be prepared for this change. New resource requirements, both human and physical need to be planned at this stage. Change management is an absolutely vital step. It is strongly recommended to Create the correct mindset among people who are undergoing

the changes at a very initial stage. The staff needs to be transformed in to a force that is ready to accept any new challenge and also think on behalf of the company at a positive attitude.

Towards a framework for successful ERP implementation

An attempt has been made here to come up with some guidelines using the lessons learned from analyzing successful and failed cases though it is impossible to come up with a globally adoptable framework. Select the most appropriate ERP system A deep study of company's needs, current performance, expectations of different state holders and possible challenges should be carried out prior to selecting the supplier.

It is recommended to get short listed candidates to ma p their solution to company needs and see if they are in a position to offer what company is looking for. Select the correct methodology on handling processes The industry best practices have been identified through extensive market researches and these practices have given good results in many countries. On the other hand old 115 business practices in many Sri

Lankan organizations have proven to be ineffective. Therefore process reengineering is a recommendable step to be taken in an ERP implementation and moving towards industry best practices defined by ERP is further recommended if implementing a standard ERP solution. Prepare employees for the change Resistance from employees is common in ERP implementations. Therefore making people ready to face the change is highly recommended.

ATTITUDE OF STUDENTS TOWARDS ENTREPRENEURSHIP

Shivam Goyal , Student GLBIMR

Entrepreneurship is a wide spread term which has been studied from different aspects and points of view, and its literature can be found in every discipline related to humans and their behavior (Campbell and Mitchell, 2012). The concept was found in old literature and defined in various ways (Bernstein, 2011), ranging from simply the creation of a new venture (Kirzner, 1997). The importance of entrepreneurship increases the responsibility of universities in providing students with adequate entrepreneurial skills and mindset, which is needed to supply the countries with valuable entrepreneurs who would establish entrepreneurial companies and start-ups, which gradually affect the economic stability of the country since entrepreneurship proved to be essential for the development and renewal of the economy through the creation of new innovative markets and the modernization of society. What are the "management student" perceptions towards venture? Which factor affect the student towards entrepreneurship? To find out answers to these questions I will undertake the surveys of many colleges like (ITS, BIMTEC, SHARDA etc. . . .) A lot of surveys have been done in the past to understand the aspect of management student and to find out their attitude towards new venture. In my final research I took a project named:- "Attitude of management students towards entrepreneurship". While working with this study I want to explore the factors affecting students' attitude towards entrepreneurship in many institute by focusing on entrepreneurial awareness, entrepreneurial characteristics, and the impact of entrepreneurship on the individual and the society

About Entrepreneurship

Entrepreneurship plays an eminent function in creating an avenue for employability for rural communities, providing self-employment for those who have started-up a business of their own and enhancing the economic status of the rural sector as well. Entrepreneurship has transformed many entrepreneurs into successful business persons and generated income for rural communities. Entrepreneurs in rural area have transformed their vicinity into trading hubs thus enabling them to become urbanized areas.

Entrepreneur is an Economic Agent who plays a vital role in the economic development of a country. Economic development of a country refers steady growth in the income levels. This growth mainly depends on its entrepreneurs. An Entrepreneur is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims at achieving goals. An entrepreneur identifies opportunities and seizes opportunities for economic benefits. Entrepreneurship is a dynamic activity which helps the entrepreneur to bring changes in the process of production, innovation in production, new usage of materials, creator of market etc. It is a mental attitude to foresee risk and uncertainty with a view to achieve certain strong motive. It also means doing something in a new and effective manner

Defination:

According to A.H Cole "Entrepreneurship is a powerful activity of an individual or group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goals or services." According to Peter F Drucker "Entrepreneurship is neither a science nor an art. It is a practice. It is knowledge base. Knowledge in entrepreneurship is a means to an end, that is, by the practice.

Entrepreneurship at 17th Century

Entrepreneurship at 17th Century The connection of risk with entrepreneurship emerged during the 17th century. An entrepreneur was perceived as a person who entered into a contractual arrangement with the government to perform a service or to supply stipulated products. Since the contract price was fixed, any resulting profits or losses were the entrepreneur's. One entrepreneur in this period was John Law¹, a Frenchman, who was allowed to establish a royal bank. (Will and Ariel Durant, 1965 p13) The bank eventually evolved into an exclusive franchise to form a trading company in the new World, the Mississippi Company. Richard Cantillon, a noted economist and author in the 1700s, understood Law's intention and developed one of the early theories of the entrepreneur and he is regarded by some as the originator of the term. He viewed the entrepreneurs as risk takers, observing that merchants, farmers, craftsmen, and other sole proprietors "buy at certain price and sell at an uncertain price, therefore operating at risk" (Burr Ridge and Richard D Irwin, 1985)

Entrepreneurship at 18th Century

In the 18th century, the person with capital was differentiated from the one who needed capital. In other words, the entrepreneur was distinguished from the capital provider (the present day venture capitalist). One reason for this differentiation was the industrialization occurring throughout the world. Many of the inventions developed during this time were reactions to the changing world, as was the case with the inventions of Eli Whitney² and Thomas Edison³ (Lakwete, Angela. 2004; Albion, Michele Wehrwein. 2008). Entrepreneurship at 19th and 20th century In the late 19th and early 20th centuries, entrepreneurs were frequently not distinguished from managers and were viewed mostly from an economic perspective. Richard T. Ely and Ralph H. Hes, briefly stated: The entrepreneur organizes and operates an enterprise for personal gain. He pays current prices for the materials consumed in the business, for the use of the land, for the personal services he employs, and for the capital he requires. He contributes his own initiative, skill, and ingenuity in planning, organizing, and administering the enterprise. He also assumes the chance of loss and gain consequent to unforeseen and uncontrollable circumstances. The net residue of the annual receipts of the enterprise after all costs have been paid, he retains for himself.

Joseph Schumpeter's vision on entrepreneurs is as follows:

The function of the entrepreneur is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological method of producing a new commodity or producing an old one in new way, opening a new source of supply of materials or a new outlet for products, by organizing a new industry.

History of Entrepreneurship in India:

The history of entrepreneurship is important worldwide, even in India. In the pre- colonial times the Indian trade and business was at its peak. Indians were experts in smelting of metals such as brass and tin. Kanishka Empire in the 1st century started nurturing Indian entrepreneurs and traders. Following that period, in around 1600 A.D., India established its trade relationship with Roman Empire. Gold was pouring from all sides. Then came the Portuguese and the English. They captured the Indian sea waters and slowly entered the Indian business. They forced the entrepreneurs to become traders and they themselves took the role of entrepreneurs. This was the main reason for the downfall of Indian business in the colonial times which had its impact in the post-colonial times too. The colonial era make the Indian ideas and principles rigid.

For an entire generation from the 1950s until the 1980s, India followed socialist- inspired policies. The economy was shackled by extensive regulation, protectionism, and public ownership, leading to pervasive corruption and slow growth. Since 1991, the nation has moved towards a market-based system. Entrepreneurship is the result of three dimensions working together: conducive framework conditions, well-designed government programmes and supportive cultural attitudes. Across these three perspectives of entrepreneurship, two major conclusions are apparent. Firstly, the economic, psychological and sociological academic fields accept that entrepreneurship is a process.

will not be able to maintain a high level of work ethic, and she will most likely fail. This interest must also translate into a vision for the company's growth. Even if the day-to-day activities of a business are interesting to an entrepreneur, this is not enough for success unless she can turn this interest into a vision of growth and expansion. This vision must be strong enough that she can communicate it to investors and employees.

- Skill

All of the interest and vision cannot make up for a total lack of applicable skill. As the head of a company, whether he has employees or not, an entrepreneur must be able to wear many hats and do so effectively. For instance, if he wants to start a business that creates mobile games, he should have specialized knowledge in mobile technology, the gaming industry, game design, mobile app marketing or programming.

- Investment

An entrepreneur must invest in her company. This investment may be something less tangible, such as the time she spends or the skills or reputation she brings with her, but it also tends to involve a significant investment of assets with a clear value, whether they be cash, real estate or intellectual property. An entrepreneur who will not or cannot invest in her company cannot expect others to do so and cannot expect it to succeed.

- Organization and Delegation

While many new businesses start as a one-man show, successful entrepreneurship is characterized by quick and stable growth. This means hiring other people to do specialized jobs. For this reason, entrepreneurship requires extensive organization and delegation of tasks. It is important for entrepreneurs to pay close attention to everything that goes on in their companies, but if they want their companies to succeed, they must learn to hire the right people for the right jobs and let them do their jobs with minimal interference from management.

- Risk and Rewards

Entrepreneurship requires risk. The measurement of this risk equates to the amount of time and money you invest into your business. However, this risk also tends to relate directly to the rewards involved. An entrepreneur who invests in a franchise pays for someone else's business plan and receives a respectable income, while an entrepreneur who undertakes groundbreaking innovations risks everything on an assumption that something revolutionary will work in the market. If such a revolutionary is wrong, she can lose everything. However, if she is right, she can suddenly become extremely wealthy.

Types of Entrepreneurs:

Innovative entrepreneurs:

These entrepreneurs have the ability to think newer, better and more economical ideas of business organization and management. They are the business leaders and contributors to the economic development of a country. Inventions like the introduction of a small car 'Nano' by Ratan Tata, organized retailing by Kishore Biyani, making mobile phones available to the common man by Anil Ambani are the works of innovative entrepreneurs.

Imitating entrepreneurs:

These entrepreneurs are people who follow the path shown by innovative entrepreneurs. They imitate innovative entrepreneurs because the environment in which they operate is such that it does not permit them to have creative and innovative ideas on their own. Such entrepreneurs are found in countries and situations marked with weak industrial and institutional base which creates difficulties in initiating innovative ideas. In our country also, a large number of such entrepreneurs are found in every field of business activity and they fulfill their need for achievement by imitating the ideas introduced by innovative entrepreneurs. Development of small shopping complexes is the work of imitating entrepreneurs. All the small car manufacturers now are the imitating entrepreneurs.

Concepts & Characteristics of Entrepreneurship:

- Interest and Vision

The first factor for entrepreneurial success is interest. Since entrepreneurship pays off according to performance rather than time spent on a particular effort, an entrepreneur must work in an area that interests her. Otherwise, she is a Fabian entrepreneur:

The dictionary meaning of the term 'fabian' is 'a person seeking victory by delay rather than by a decisive battle'. Fabian entrepreneurs are those individuals who do not show initiative in visualizing and implementing new ideas and innovations wait for some development which would motivate them to initiate unless there is an imminent threat to their very existence.

Drone entrepreneurs:

The dictionary meaning of the term 'drone' is 'a person who lives on the labor of others'. Drone entrepreneurs are those individuals who are satisfied with the existing mode and speed of business activity and show no inclination in gaining market leadership. In other words, drone entrepreneurs are die-hard conservatives and even ready to suffer the loss of business.

Social Entrepreneur:

Social entrepreneurs drive social innovation and transformation in various fields including education, health, human rights, workers' rights, environment and enterprise development. They undertake poverty alleviation objectives with the zeal of an entrepreneur, business practices and dare to overcome traditional practices and to innovate. Dr. Mohammed Yunus of Bangladesh who started Grameen Bank is a case of social entrepreneur.

Functions of an Entrepreneur:

Innovation:

An entrepreneur is basically an innovator who tries to develop new technology, products, markets, etc. Innovation may involve doing new things or doing existing things differently. An entrepreneur uses his creative faculties to do new things and exploit opportunities in the market. He does not believe in status quo and is always in search of change.

Assumption of Risk:

An entrepreneur, by definition, is risk taker and not risk shirker. He is always prepared for assuming losses that may arise on account of new ideas and projects undertaken by him. This willingness to take risks allows an entrepreneur to take initiatives in doing new things and marching ahead in his efforts.

Research:

An entrepreneur is a practical dreamer and does a lot of ground-work before taking a leap in his ventures. In other words, an entrepreneur finalizes an idea only after considering a variety of options, analyzing their strengths and weaknesses by applying analytical techniques, testing their applicability, supplementing them with empirical findings, and then choosing the best alternative. It is then that he applies his ideas in practice. The selection of an idea, thus, involves the application of research methodology by an entrepreneur.

Development of Management Skills:

The work of an entrepreneur involves the use of managerial skills which he develops while planning, organizing, staffing, directing, controlling and coordinating the activities of business. His managerial skills get further strengthened when he engages himself in establishing equilibrium between his organization and its environment.

However, when the size of business grows considerably, an entrepreneur can employ professional managers for the effective management of business operations.

Overcoming Resistance to Change:

New innovations are generally opposed by people because it makes them change their existing behavior patterns. An entrepreneur always first tries new ideas at his level. It is only after the successful implementation of these ideas that an entrepreneur makes these ideas available to others for their benefit. In this manner, an entrepreneur paves the way for the acceptance of his ideas by others. This is a reflection of his will power, enthusiasm and energy which helps him in overcoming the society's resistance to change.

Catalyst of Economic Development:

An entrepreneur plays an important role in accelerating the pace of economic development of a country by discovering new uses of available resources and maximizing their utilization.

Qualities of successful Entrepreneur :

Successful entrepreneurs are ambitious.

And how could they not be – you have to have ambition (and bucket loads of it!) in order to be a successful entrepreneur. This means that they actively seek out problems, and have the ambition to fix them. Doing so comes to them as a habit; it is their state-of-mind. Everyone doesn't have this ambition, and this is one quality that defines an entrepreneur.

Successful entrepreneurs proactively find and seek-out opportunities.

One of the things that defines an entrepreneur is his/her ability to search for potential opportunities. Because that is what being an entrepreneur is all about: finding potential problems and opportunities, and providing real, tangible solutions to these problems. Identifying or discovering an opportunity comes naturally to them, and it is actually a big part of being an entrepreneur in the first place.

Successful entrepreneurs are focused, goal-oriented, disciplined, well-organized and meticulous.

Getting a business running from the ground-up isn't easy, and understandably so. The fact is that a small percentage of startups go on to survive beyond the first year and become big businesses, and hence only a small number of entrepreneurs really go on and make it big. Those who do have the discipline to follow their game-plan, and work on achieving their short-term and long-term goals and objectives. They are focused on ensuring that their businesses work.

Now already a couple years old, they have built up their reputation by releasing wildly successful products like Thrive Leads and Thrive Content Builder.

Successful entrepreneurs are hard workers who love what they do. Successful businessmen love what they do.

To them, work isn't simply 'work', it's their life! Successful entrepreneurs never look at it as their day-jobs their '9 to 5's' or 'something that they do in the day', their business is their life and they work extremely hard to accomplish their goals. That doesn't mean that they are workaholics or are married to their jobs – they set boundaries, and know how to work hard and work smart!

Successful entrepreneurs are not afraid to take risks.

Good entrepreneurs don't fear taking risks, they take them on head-on. They have to take risks every day – it is part

of running a business. The thing though about taking risks is that successful entrepreneurs take calculated risks, not foolish ones.

This means that they weigh the pros and cons, of every decision that they face, take the advantages and

disadvantages of every move into consideration, look at all possible outcomes and make a calculated and informed decision taking everything into consideration. Taking risks is part of the game, however taking calculated risks brings about a positive outcome most of the time, and when it doesn't. . .

Successful entrepreneurs are not afraid to make mistakes, and face failure.

In fact, they understand that it's all a part of the game, and they use each and every failure and every mistake that they make as a learning experience. You'd be hard-pressed to find even a single entrepreneur who hasn't made a bucket load of mistakes! The cold, hard truth is that every entrepreneur will end up making mistakes – some small and some big – and will fail numerous times. But each of these incidents will be a learning experience for a successful entrepreneur, and each of these instances will be an opportunity of him/her to emerge better and stronger.

Successful entrepreneurs have a knack for innovation and creativity.

Successful entrepreneurs can usually be identified by their ambition to innovate – this involves developing new ideas, methods, processes, products, services, and above all, new solutions that meet new requirements and provide more value to stakeholders. Besides, a large part of being successful in business relies upon improvement and positive change, and all good entrepreneurs have the vision to be creative and innovative in order to bring about this sort of change and improvement.

Successful entrepreneurs know what it takes to be successful.

They challenge themselves to learn more and do more. They understand that all businesses are affected by certain internal and external factors – some of which are out of their control or beyond their abilities. They understand these limitations, and either build their own capacity so that they can get what they need, or work with people with different expertise and experience in order to overcome these barriers.

Successful entrepreneurs have excellent role models.

These role models are people that they aspire to be, people that they look up to, and people who provide them with inspiration and the guidance that they need to be successful. A role-model could be anyone – such as someone from within your social circles, friends or family, or a famous personality who they look up to (Steve Jobs, Michael Dell, Richard Branson, Bill Gates all come to mind here and are just a few examples). Having a role-model, especially if he or she is your mentor too, can really take an entrepreneur to unprecedented heights of success, make him truly unstoppable!

Successful entrepreneurs are leaders.

That is perhaps the simplest way to put it: successful entrepreneurs are natural leaders, and possess many leadership qualities. They are good at managing all aspects of their professional and personal lives. They have the ability to make big decisions, and the right decisions. They can provide guidance and good opinions to others. They have good communication skills. They are people-oriented, and can get a group of people to work towards the attainment of a common goal while getting the best out of them. They are respected by their peers. They are self-motivated. Successful entrepreneurs are competitive.

Factors influencing Entrepreneurship:

Personality Factors:

- Personal factors, becoming core competencies of entrepreneurs, include:
- Initiative (does things before being asked for)
- Proactive (identification and utilization of opportunities)
- Perseverance (working against all odds to overcome obstacles and never complacent with success)
- Problem-solver (conceives new ideas and achieves innovative solutions)
- Persuasion (to customers and financiers for patronization of his business and develops & maintains relationships)
- Self-confidence (takes and sticks to his decisions)
- Self-critical (learning from his mistakes and experiences of others)
- A Planner (collects information, prepares a plan, and monitors performance)
- Risk-taker (the basic quality).
- Environmental factors:

These factors relate to the conditions in which an entrepreneur has to work. Environmental factors such as political climate, legal system, economic and social conditions, market situations, etc. contribute significantly towards the growth of entrepreneurship. For example, political stability in a country is absolutely essential for smooth economic activity. Frequent political protests, bandhs, strikes, etc. hinder economic activity and entrepreneurship. Unfair trade practices, irrational monetary and fiscal policies, etc. are a roadblock to the growth of entrepreneurship. Higher income levels of people, desire for new products and sophisticated technology, need for faster means of transport and communication, etc. are the factors that stimulate entrepreneurship. Thus, it is a combination of both personal and environmental factors that influence entrepreneurship and brings in desired results for the individual, the organization and the society. Four entrepreneurial trends in India: insights from 2016:-The year 2016 was indeed eventful. It was full of Black Swan events all through and of significant proportions, including the ones on November 8 and 9 of 2016. The great economist, Joseph Schumpeter, famously identified 'creative destruction' as the driving force of economic development and how entrepreneurs propel us from one inflection point to another. Such periods of massive creations that emerge from destructive forces of change are great opportunities for the entrepreneurs, for now, the incumbents are at their vulnerable lows. Here are five notable entrepreneurship trends in India from 2016.

Disruption

The rapid rise of Paytm post demonetization, the reckoning of Xioami as China's Apple, the ongoing problems with once venerable Samsung, the sale of Yahoo! at an indecent price, and the purchase of LinkedIn by Microsoft, are but a few instance of such creative destructions where the legends of past are trumped by the challengers from the new age. Some of these developments have pushed the researchers, managers, and laypersons alike to rethink of dictums hitherto held sacrosanct. For starters, how valuable is customer loyalty? Consumers did switch from Apple to Samsung, and no sooner to Xiaomi, similar to how Tesla is fast replacing Prius on American roads. Yahoo!, one of the most celebrated brands of the yesteryears and a true pioneer, failed to find buyers, and here you have WhatsApp securing a \$19 billion deal from Facebook. Back home, customers didn't mind ditching their MasterCard and Visas for seeking cashback on Paytm and no sooner getting used to the idea of scanning the QR code at their nearest grocery store. The QR code, exploited to the hilt by Paytm, is another example of an extremely frugal and effective innovation. Needless to talk about the results of the recent US election, where almost all pundits were proven wrong in a triumphant moment! Equally important is the realization that disruption can happen in low-tech industries too! The realization comes from one of the most remarkable stories of the year – the rise of Ramdev's Patanjali. While disruption is mostly talked in the realm of high technology products, no one would have thought of a 'desi' firm giving a run for money to the likes of Unilever, Procter & Gamble, and Colgate-Palmolive, that too in their core product categories. But it's all happening, and right here at the heart of urban India. The stories of Uber disrupting the rental

car market, Airbnb doing it for hospitality, and Zoho for productivity tools for the SMEs, are all too common and known, but in low-tech, the instances are fewer. So, let's not confuse innovation, especially the disruptive type, with high-end technology.

Women entrepreneurship

The rise of women entrepreneurs is another remarkable trend. From a time when women were mostly relegated to the household (read, homemakers) to being 'suited' for softer roles, such as HR and teaching, the women folks are eyeing serious business ventures, and often on their own. Women like Aditi Gupta of Menstrupedia, Richa Kar of Zivame, Ashwini Asokan of Mad Street Dan, Nidhi and Reshmi of Silver Talkies, and Gurleen Kaur of Hari Patti, amongst several others, are becoming role models alongside the legends of Kiran Mazumdar-Shaw and Shahnaz Husain for breaking the myths. Seeing the need for capability creation and celebration, recently, NSRCEL at IIM Bangalore joined hands with Goldman Sachs to educate and support women entrepreneurs. Remember, all these ladies are excelling in proverbially 'male dominated' fields or marginalised ones.

Beyond Tier 1

Along with the growing participation of women in the entrepreneurial setup, there is an unmistakable entrepreneurial traction in tier-II and tier-III towns of India. With pervasive and affordable communication and computation, and growing education levels in India's hinterland, there are local enthusiasts keen to solve local problems. If Flipkarts and Olas can come up on the backdrop of Amazon and Uber, why can't we have businesses in India's hinterland inspired by the urban stories? The likes of Mera Gao Power that operates in the rural parts of Uttar Pradesh, and Husk Power System from Bihar have shown that sustainability can be an outcome when local problems meet ingenious (local) solutions. Much like reverse innovation, where solutions conceived in the East travel westwards, and the frugal and ingenious developments in rural India can address urban needs, or even create newer opportunities.

Education

So much for the approaches and the outcome, but how about the enablers? The advent of MOOCs and a growing traction of courses and mentorship programmes on entrepreneurs indicates an emerging belief that entrepreneurship can be taught. From the times when businesses were thought to be a luxury for a few and necessity for many, it is fast becoming a matter of choice and even ambition. Increasingly, graduates from engineering colleges and management schools are opting out of placements and venturing on their own while being equipped with knowledge and pedigree. Globally, top B-Schools offer MBA programmes for entrepreneurs and are witnessing a serious traction. Back home, the NSRCEL at IIM Bangalore sees a growing interest in mentoring; institutes are offering MBA programmes on managing the family business, and on innovation and entrepreneurship, alongside the classic MBA programmes.

Literature Review

Entrepreneurial intention according to Ajzen (2005) is a set of motivational factors that influence behaviour, which shows how hard people are willing to try and how much effort will be planned to be deployed in entrepreneurship. According to Fishbein and Ajzen (1975) the intention has four aspects: Behaviour, i.e. the specific behaviour that will be realized in entrepreneurship. Goals (targets), i.e. objects that are subjected to behaviour. Objects that are targeted from specific behaviours can be classified into three: the person/particular object (particular object), a group of objects (a class of objects) and people or objects in general (any object). Situation, ie situations that

support the conduct of a behaviour (how and where the behaviour will be realized). Time, i.e. time of occurrence of behaviour which includes a certain time, in an indefinite period or period of time. According to the theory of planned behaviour (Ajzen, 2005) there are 3 (three) concepts as the determinant (antecedent) of the intention: i.e. attitudes toward behaviour, subjective norms and perceptions of behaviour control. Attitude toward behaviour refers to the level that a person has in making a favourable or unfavourable evaluation of behaviour. Attitudes toward behaviour are a function of behavioural belief and outcome evaluation. Behavioural belief is a person's belief about the positive or negative consequences of a particular behaviour and the outcome evaluation is an individual's evaluation of the consequences he will gain from behaviour. Subjective norm (subjective norm) ie refers to the social pressures facing the individual to be able to display certain behaviours or not display them. The subjective norm is a function of normative belief and motivation to comply. Normative belief is belief about the agreement and/or disapproval that comes from the referent or person or group of people who influence the individual (significant others). Motivation to comply is the motivation of the individual to comply with the expectations of the referent. Perceived behavioural control (i.e., perception of behaviour control) i.e. refers to the ease or difficulty of displaying certain behaviours, as well as the assumptions made by individuals who reflect past experiences as a matter of anticipation in the face of obstacles. Perceived behavioural control is a function of control beliefs, namely individual beliefs about the presence or absence of factors that support or hinder individuals to elicit behaviour, while perceived power control is the perception of the ability to control behaviour or the ability to control behaviour to achieve goals. Based on this, the more favourable an attitude toward behaviour, subjective norms of behaviour, and the greater the control of the behaviour received, so will be greater the intention of a person to display a behavior.

Further (Ajzen, 2005) states that there are a variety of factors that background antecedent intention. According to (Ajzen, 2005) various factors that background antecedent intention divided into 3 categories: individual, social and information. Individual factors are composed of personality, mood, emotion, intelligence, values, stereotypes, general attitudes, and experience. Social factors consist of education, age, gender, income/income, religion/religion, race and ethnicity, and culture and information factors consist of knowledge, media and intervention. Schematically the background factor that influences the intention in the planned behavior theory (Ajzen, 2005) . Measurement of entrepreneurial intentions completely with antecedent according to the planned behaviour theory done by Liñán and Chen (2009). According to Armitage and Corner (Liñán and Chen (2009) explains that to measure the intention can be known in three different sizes namely: (1) desire, with the form of statement "I want." (2) self prediction, with the form of statement "how do i like." (3) the behaviour of the intentions with the form of statement "I tend to. ", while Zhao et al. (2005)

using pure intentions item that is with sentence "how you interested in field. "

Based on the two expert opinions above Linan and Chen (2009) have compiled items to reveal the entrepreneurial intentions and its antecedent that have been declared valid and reliable.

The importance of entrepreneurship in alleviating economic and social challenges facing society is now a theme of heightened discussion the world over (Lekoko, 2011). The above is echoed by Ramalan and Ngah (2012) who averred that entrepreneurship is a critical agent for economic growth. Literature further attests to the fact that in many countries especially emerging economies, graduate unemployment has become an albatross around the neck of society in general and school leavers in particular (Opoku-Antwi, Amofah, Nyamaah-Koffuor&Yakubu (2012), hence the current clamour for entrepreneurship and entrepreneurship education in higher education institutions. The issue of entrepreneurship as a vehicle to self-employment is further emphasised by Lokoko, Rankhumise and Ras (2012) who argued that the move towards self-employment the world over is and will continue to become an increasingly important element of economic growth and development.

Entrepreneurship is further viewed as an important driver for economic growth, productivity and social development and hence is perhaps one of the main issues in current public policy debate (Denanyoh, 2015). Demonstrating the importance of entrepreneurship in boosting economic growth, the Global Entrepreneurship Monitor (GEM) (2006) indicated that as much as one-third of the differences in economic growth among nations may be attributed to differences in entrepreneurship activity.

Fostering an entrepreneurial culture among the university graduates has therefore become an issue of great priority (Gerba, 2012) such that developing an opportunity-oriented mind set in university students is now considered very critical. The above is so because entrepreneurship is now viewed as a cog in the socio-economic performance of countries due to its potential and capacity to create employment opportunities (Mustapha &Selvaraju, 2015).

In the context of Botswana, as mentioned above, studies show that the rate of unemployment was at 18% as of 2011 and has been rising ever since, with the majority of the unemployed being youths (Statistics Botswana, 2011). This result according to Lekoko (2011) posed a challenge for higher education institutions in Botswana to come up with programmes such as entrepreneurship education to help youths gain knowledge and skills to create their own jobs and be self- employed. The above point by Lekoko dovetails with views of Emanuel, Dazala and Daniel (2012) who argued that for far too long, higher education institutions have been concentrating on producing graduates for whom there is no market rather than concentrate on programmes such as entrepreneurship that help in job creation. Eugene, Adline and Agwubuike (2013) also opined that higher education institutions needed to be criticized for producing job-seeking rather than job- creating, self-reliant graduates.

The concept of entrepreneurship

Entrepreneurship is viewed as a multi-dimensional construct that is defined variously by different people hence there is no unified definition. According to Mokaya, Namusongeand Sikalieh (2012), entrepreneurship is the individual motivation and willingness to take risk, create and sustain a growth-oriented and profit-making enterprise. Entrepreneurship is also viewed as a cultural and economic phenomenon (Gzozdanic, et al., 2008), a process of fundamental transformation from an innovative idea to an enterprise, from an enterprise to creation of value (The Kauffman Panel Report, 2007). According to Teshome (2014) and also Odunaiké and Amoda (2013), entrepreneurship is the art of setting up and running an enterprise in a profitable and sustainable manner. The above definitions therefore imply that an entrepreneur is somebody who is innovative, daring and who is able to identify opportunities where others see risks. As also given by Mazura and Norasmah (2011) the above definitions also mean that entrepreneurship is a long term strategy for reducing unemployment and boosting economic development through the exploitation of business opportunities available.

The concept of entrepreneurship education

The history of entrepreneurship education dates back to the 1930s in Japan through the works of a Japanese professor though most of modern day entrepreneurship sources and programmes were pioneered and introduced in schools by American universities (Keat et al, 2011). The aim of these programmes was to produce graduates who were able not only to identify opportunities but to turn those opportunities into businesses Bilic, Prka&Vidovic, 2011). Entrepreneurship education is viewed as a means of developing entrepreneurial skills in people, which skills manifest through creative strategies, innovative tactics, uncanny identification of trends and opportunities in the market, and courageous leadership (Gerba, 2012). Fayolle and Klandt (2006) on the other hand view entrepreneurship education as a three-dimensional construct, that is, as a matter of culture or state of mind, as a matter of behaviour, and as a matter of creating specific situations.

Entrepreneurship education as a matter of culture or state of mind encompasses those aspects of entrepreneurship education that focus on values, beliefs and attitudes as these play a critical role in shaping one's attitude towards entrepreneurship, entrepreneurship intentions or inclination. Entrepreneurship education as a matter of behaviour relates to specific skills such as identifying and seizing opportunities, making informed decisions and developing social skills to be able to communicate well with stakeholders. Entrepreneurship education as a matter of creating specific situations relates to influence of entrepreneurship in the creation of new ideas, new firms and enterprises (Fayolle&Klandt, 2006).

The above multi-dimensional conception of entrepreneurship education is also highlighted by Mapfira and Setibi (2014) who argued that meaningful entrepreneurship education is an attempt at fostering entrepreneurial awareness as a career option through the enhancement of the understanding in students of the process of initiating and managing a business. This process should therefore cover the following: i) education about entrepreneurship (entrepreneurship awareness),

ii) education for enterprise (preparation of aspiring entrepreneurs for business creation, iii) education in enterprise

(training for the growth and development of established enterprises), and iv) provision of business skills that are needed to successfully start and manage a new business (Mapfaira & Setibi, 2014). Shaver and Scott (1992) in McStay (2008) also echo the same sentiments about entrepreneurship education when they averred that entrepreneurship education should move and has moved from the study of business plans and personality traits to the exploration of entrepreneurial behaviour, motivation and cognition to get people off their feet and confidently start a business.

The above conceptualisation of entrepreneurship education implies that such education should not just be about writing business plans (learning about entrepreneurship) but should be about developing an entrepreneurship mindset and also developing an enterprise behaviour (learning for entrepreneurship) (Honig, 2004). If people are to be interested in entrepreneurship and entrepreneurship education, the main focus of entrepreneurship education should therefore be the development of skills of how to start and run a business not knowledge how to plan for it. Entrepreneurship education should be a form of empowerment that not only develop but also support entrepreneurial activities, behaviours and mindsets (Ekpoh&Edet, 2011). In the end and according to the Global Entrepreneurship Monitor (GEM) (2010), entrepreneurship education should eventually be viewed as an intervention to create jobs, to drive and shape innovativeness and to stimulate economic growth.

Components of entrepreneurship attitudes

Entrepreneurship education is viewed as a form of training in entrepreneurial knowledge, behaviour, attitudes and skills (Pulka et al, 2014). As a result, students' attitudes towards entrepreneurship and entrepreneurship education can be measured in terms of three components of entrepreneurship attitudes namely cognitive, affective and behavioural attitude components (Pulka et al, 2014). The cognitive component relates to beliefs, thoughts and knowledge students have about entrepreneurship and entrepreneurship education that shape their attitudes and behaviours (Amdam, 2011). The affective component relates to feelings and emotions about entrepreneurship and entrepreneurship education, that is, how a person sees the desirability or relevance of something and hence whether eventually they either like it or not (Kulpa et al, 2014). The behavioural component relates to actions, overt responses and willingness to respond to or accept something (Mani, 2008).

Previous studies on entrepreneurship and entrepreneurship education

A study by Souitaris, Zerbinati and Andreas (2007) found that entrepreneurship education stimulates students' subjective norms and intentions towards entrepreneurship by providing them with knowledge, skills and a sense of belief that inspire them to choose entrepreneurship as a career. In another study by Basu and Virik (2008), it was found that entrepreneurship education improves attitudes of students towards entrepreneurship. These results were also confirmed in another study by Ediagbonya (2013) whose results showed that by developing skills, knowledge and motivation in university students for them to successfully engage in entrepreneurship activities, entrepreneurship education positively impacts on the attitudes of students towards entrepreneurship.

In a study by the Kauffman Foundation (2000), it was found that entrepreneurship education increased the probability of start-ups, self-employment and also that it enhances the likelihood of economic reward and self-satisfaction of the entrepreneur. A study by Iqbal et al (2012) also showed that after they had participated in entrepreneurship education, most students believed that: i) if they start their own business, they would have a high probability of success, ii) they were better prepared to start their own businesses, and iii) the entrepreneurship education programme had given them enough knowledge and skills to successfully start their own businesses.

In yet another study by Zain, Akram and Ghani (2010) it was found that more than 50% of students had an intention to become entrepreneurs after going through the entrepreneurship programme while Mapfaira and Setibi (2014) indicated in their study that the number was as high as 73%. This is also confirmed by a study by Kabui and Maalu (2012) which found that most students who had gone through the entrepreneurship course had a positive perception of entrepreneurship as a future career though the same results also showed that factors that included fear of failure, and lack of sufficient capital were some of the major barriers to the students' intentions to start their own businesses.

In different studies on the influence of biographic characteristics, personal attributes of students, successful entrepreneurs, and supportive environment on the entrepreneurship intentions of students, a number of results

were found. A study by Ismael, Abdullah and Othman (2010) on the influence of gender on the inclination of students towards entrepreneurship found that there was a significant difference in their attitudes towards entrepreneurship between male and female students. However, another study by Pour, Nooriaee and Heydari (2013) found that age, gender and area of specialisation have no significant influence on the entrepreneurship inclination of a student.

Use of successful entrepreneurs as guest speakers was also found by Bergh, Thorgren&Wincent (2011) to have a positive effect on students' attitudes towards entrepreneurship. A supportive university environment was also found to have a positive impact on the entrepreneurship inclination of students (Sriram, Mersha and Herron, 2007).

Studies on entrepreneurship and entrepreneurship education also identify challenges which students say have potential to affect their entrepreneurship intentions. A study by Mapfaira and Setibi (2014) found that students identified lack of technical support, difficulty in accessing finance as well as general poor attitude of people towards entrepreneurship were some of the hindrances to the entrepreneurship intentions.

Research objective and Hypothesis

Research Objectives

- To find out the trends and patterns of entrepreneurship in colleges
- Determine the behavior of students towards new venture.
- To investigate the attitude of students towards entrepreneurship education.
- To examine how demographic characteristics of students influence students attitude towards entrepreneurship education.
- To investigate whether students view entrepreneurship as a future career.
- To identify factors that influence entrepreneurship intentions of students

Hypothesis

H1:-There is a positive relationship between knowledge of business laws and the type of venture they want to start.

H0:- There is a negative relationship between knowledge of business laws and the type of venture they want to start.

H1:-There is an association between department of students and their interest towards business .

H0:-There is no association between department of students and their interest towards business .

Research Design and Methodology

• Nature

The research design is descriptive in nature. The research has been conducted between the college students . For the selection of the sample, convenient sampling method was adopted and an attempt has been made to include all the age groups and gender of every class.

• Instrument

The instrument used for gathering data was questionnaire.

- Sample size

For conducting this research, a structured questionnaire is prepared and sample of approx 5-6 college will be taken.

- Tool and techniques

The data so collected will be analyzed through the application of statistical techniques, such as bar graphs , pie charts, SPSS etc.

FACTS AND FINDINGS OF THE STUDY

- In this study most of the respondents are males.
- In this study most of the respondents are post graduated youths of different colleges
- The study reveals that the most of the youths are graduated and post graduated in commerce and management and minority in science, engineering and other stream.
- In this study reveals that the most of the graduated and post graduated youths are moderately aware about the business.
- According to this study we can able to understand that there is a positive relationship between knowledge of business laws and the type of venture they want to start.
- According to this study we can able to understand that there is no association between department of students and their interest towards business .
- Most of the graduates and post graduates are interested to star their business in service sector, and trading concerns.
- As per this study the most of the graduated and post graduated youths are interested to start their own business. And some of them interested to start partnership firm.
- Most of the graduated and post graduated youths are think entrepreneurship is the safest career path in future, and some of them are negatively responded whereas a limited number of graduated youths are not having any opinion about the same.
- Most of the graduated and post graduated youths are moderately aware about the business law, whereas some of them are highly aware about the business law and limited number of respondents are only having low level of awareness about the business low.
- Most of the graduated and post graduated youths are moderately aware about the corporate law, whereas some of them are having only low level of awareness about the corporate law and some of the of respondents are only having low level of awareness about the business low.
- Most of the graduated and post graduated youths are moderately aware about the tax law and practices, whereas some of them are having only low level of awareness about the tax law and practices, some of the of respondents are only having low level of awareness about the same.
- Majority of the respondents says that they are moderately facing some barriers and difficulties for commence a business. And opinion of some of them are they are highly facing barriers and difficulties to commence a new business.
- Here we can able to know that the lack of capital, Govt. rules and regulations, high interest on bank loans, lack of business knowledge, lack of Govt. support and availability of resources are the main barriers and difficulties they are facing to commence business.
- As per the data furnished in this study most of the graduated and post graduated youths are highly aware about the procedures to commence a business. Limited number of respondents are not having any idea about the procedure to commence a business.

- Most of the respondents agrees that the family, economic conditions, relatives and friends, and qualification are the main factor that can influence them to commence a business.
- Majority of the graduated and post graduated youths are interested to commence their new business with support of bank (sources of capital). And many of them interested to start with their own fund.
- According to this study the large number of the graduated and post graduated youths are fully aware about the Govt. policies, rules and regulations of start- up and business, and limited number of youths are don't know the Govt. policies, rules and regulations about the start-ups and business.
- As per this study the large number of the respondents are preferring cities and towns as better destination for commence their new business, limited number of the respondents are preferring the metro cities and rural areas for commence their new business.
- The large number of the respondents are moderately expecting some assistance and supports from the central and state Govt. and some they are highly expecting something, and limited number of respondents doesn't expecting anything from the central and state Govt.
- According to this study large number of the graduated and post graduated youths are expecting Bank loan at low interest rate and interest free loans from the Govt. side for commence a business.

CONCLUSION

The analysis of this study the majority of the graduated and the post graduated youths are interests and encourage the entrepreneurial career in future. It was found that majority of the graduated and post graduated youths are interested to pursue entrepreneurial career in future. So that they were expecting lot of supports and assistances form the Central and State Govt. like Subsidy loans, Tax exemptions. Tax reductions, liberal rules and regulations etc. another things in this study found that the most of the graduated and post graduated youths were only having moderated awareness about the business law, corporate law, and tax law and practices. And the same time the respondents are like to commence their new business in various sectors and operations, most of the respondents are like to commence their business in service sectors, and trading concerns. And the same time most of the respondents are like to start their own business. According to this study we found that, most of the respondents opinion is they are moderately facing lot of barriers and difficulties to commence a new business, and lot of factors that can influence them to commence new business like, family, qualification, friends and relatives and economic condition of the respondents. Here we can able to understand that the most of the graduated and post graduated youths would like to start their business with the assistance of the bank loans. And they are interested to start their business in cities and towns. It will get them the resources easily and they can able to mobilize finance and human resource very easily. And the infrastructure facilities also in good condition and transportation facility also well determined. However we can able to understand most of the respondents are interested to entrepreneurial career path in future for better development. The Govt. of India and the concerned state Govt. are formulated and executed various projects and schemes for empower the educated youths, unemployed people, and women empowerment etc. like Make in India, Start-Up- India, Stand-Up- India, Skill India and Start-Up villages for empower the educated youths and women.

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COMPARATIVE STUDY AND ANALYSIS OF BSE LISTED COMPANIES

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INTRODUCTION

What Does Profitability Mean?

Profitability is one of four building blocks for analyzing financial statements and company performance as a whole. The other three are efficiency, solvency, and market prospects. Investors, creditors, and managers use these key concepts to analyze how well a company is doing and the future potential it could have if operations were managed properly.

The two key aspects of profitability are revenues and expenses. Revenues are the business income. This is the amount of money earned from customers by selling products or providing services. Generating income isn't free, however. Businesses must use their resources in order to produce these products and provide these services.

Resources, like cash, are used to pay for expenses like employee payroll, rent, utilities, and other necessities in the production process. Profitability looks at the relationship between the revenues and expenses to see how well a company is performing and the future potential growth a company might have.

What Are Profitability Ratios?

Profitability ratios are a class of financial metrics that are used to assess a business's ability to generate earnings relative to its revenue, operating costs, balance sheet assets, and shareholders' equity over time, using data from a specific point in time.

- Profitability ratios consist of a group of metrics that assess a company's ability to generate revenue relative to its revenue, operating costs, balance sheet assets, and shareholders' equity.
- Profitability ratios also show how well companies use their existing assets to generate profit and value for shareholders.
- Higher ratio results are often more favorable, but ratios provide much more information when compared to results from other, similar companies, the company's own historical performance, or the industry average.

What Do Profitability Ratios Tell You?

For most profitability ratios, having a higher value relative to a competitor's ratio or relative to the same ratio from a previous period indicates that the company is doing well. Ratios are most informative and useful when used to compare a subject company to other, similar companies, the company's own history, or average ratios for the company's industry as a whole.

For example, gross profit margin is one of the most often-used profitably or margin ratios. Some industries experience seasonality in their operations, such as the retail industry. Retailers typically experience significantly higher revenues and earnings during the year-end holiday season. It would not be useful to compare a retailer's fourth-quarter gross profit margin with its first-quarter gross profit margin because it would not reveal directly comparable information. Comparing a retailer's fourth-quarter profit margin with its fourth-quarter profit margin from the same period a year before would be far more informative.

Examples of Profitability Ratios

Profitability ratios are the most popular metrics used in financial analysis, and they generally fall into two categories: margin ratios and return ratios. Margin ratios give insight, from several different angles, on a company's ability to turn

sales into profit.

Return ratios offer several different ways to examine how well a company generates a return for its shareholders. Some examples of profitability ratios are profit margin, return on assets (ROA) and return on equity (ROE).

Margin Ratios: Profit Margin

Different profit margins are used to measure a company's profitability at various cost levels, including gross margin, operating margin, pretax margin, and net profit margin. The margins shrink as layers of additional costs are taken into consideration, such as the cost of goods sold (COGS), operating and non operating expenses, and taxes paid.

Gross margin measures how much a company can mark up sales above COGS. Operating margin is the percentage of sales left after covering additional operating expenses. The pretax margin shows a company's profitability after further accounting for non-operating expenses. Net profit margin concerns a company's ability to generate earnings after taxes.

Return Ratios: Return on Assets

Profitability is assessed relative to costs and expenses, and it is analyzed in comparison to assets to see how effective a company is in deploying assets to generate sales and eventually profits. The term return in the ROA ratio customarily refers to net profit or net income, the amount of earnings from sales after all costs, expenses, and taxes.

The more assets a company has amassed, the more sales and potentially more profits the company may generate. As economies of scale help lower costs and improve margins, returns may grow at a faster rate than assets, ultimately increasing return on assets.

Return Ratios: Return on Equity

ROE is a ratio that concerns a company's equity holders the most since it measures their ability to earn a return on their equity investments. ROE may increase dramatically without any equity addition when it can simply benefit from a higher return helped by a larger asset base.

As a company increases its asset size and generates a better return with higher margins, equity holders can retain much of the return growth when additional assets are the result of debt use.

CASH CONVERSION CYCLE

What Is The Cash Conversion Cycle - CCC?

The cash conversion cycle (CCC) is a metric that expresses the time (measured in days) it takes for a company to convert its investments in inventory and other resources into cash flows from sales. Also called the Net Operating Cycle or simply Cash Cycle, CCC attempts to measure how long each net input dollar is tied up in the production and sales process before it gets converted into cash received.

This metric takes into account how much time the company needs to sell its inventory, how much time it takes to collect receivables, and how much time it has to pay its bills without incurring penalties.

CCC is one of several quantitative measures that helps evaluate the efficiency of a company's operations and management. A trend of decreasing or steady CCC values over multiple periods is a good sign, while rising ones should lead to more investigation and analysis based on other factors. One should bear in mind that CCC applies only to select sectors dependent on inventory management and related operations.

KEY TAKE AWAYS

- The cash conversion cycle (CCC) is a metric that expresses the length of time (in days) that it takes for a company to convert its investments in inventory and other resources into cash flows from sales.
- This metric takes into account the time needed to sell its inventory, the time required to collect receivables, and the time the company is allowed to pay its bills without incurring any penalties.
- CCC will differ by industry sector based on the nature of business operations.

The Formula for CCC

Since CCC involves calculating the net aggregate time involved across the above three stages of the cash conversion lifecycle, the mathematical formula for CCC is represented as:

$$\text{Cash Conversion Cycle} = \text{DIO} + \text{DSO} - \text{DPO}$$

Where:

- DIO stands for Days Inventory Outstanding
- DSO stands for Days Sales Outstanding
- DPO stands for Days Payable Outstanding

What is Days Inventory Outstanding (DIO)?

Days Inventory Outstanding (DIO) is the number of days, on average, it takes a company to turn its inventory into sales. Essentially, DIO is the average number of days that a company holds its inventory before selling it. The formula for days inventory outstanding is as follows:

$$\text{DIO} = \frac{\text{Average Inventory}}{\text{Cost of good Sold}} \times 365$$

Days Sales Outstanding (DSO)

Days Sales Outstanding (DSO) is the number of days, on average, it takes a company to collect its receivables. Therefore, DSO measures the average number of days for a company to collect payment after a sale. The formula for days sales outstanding is as follows:

$$\text{DSO} = \frac{\text{Average Accounts receivable}}{\text{Total Credit Sales}} \times 365$$

What is Days Payable Outstanding (DPO)?

Days Payable Outstanding (DPO) is the number of days, on average, it takes a company to pay back its payables. Therefore, DPO measures the average number of days for a company to pay its invoices from trade creditors, i.e., suppliers. The formula for days payable outstanding is as follows:

$$\text{DPO} = \frac{\text{Average Accounts Payable}}{\text{Cost of Good Sold}} \times 365$$

OBJECTIVE OF THE STUDY

1. To find out the most profitable and growing sector.
2. To compare the performance of the companies into the sectors and intra sectors.
3. To know the effect of the cash conversion cycle on the Operating profits and ROE of the firms.

HYPOTHESIS

H0:- There is significance difference in Operating margin, ROE and CCC in the data. H1:- There is no significance difference in Operating margin, ROE and CCC in the data.

H0:- There is significance difference between the sectors. H2:- There is no significance difference between the sectors.

LITREATURE SURVEY

According to the Bhaskar Bagchi, Jayanta Chakrabarti & Piyal Basu Roy In this study, they empirically investigated the effect of working capital management on firm's profitability as measured by return on total assets and return on investment using a sample of Indian FMCG companies. For this purpose they have employed two models of panel data regression analysis – fixed effect LSDV and pooled OLS model. As mentioned earlier, the results of their study indicate the better explanatory power of fixed effect LSDV model than that of pooled OLS model. Furthermore, in this model the heterogeneity or individual characteristics of each selected FMCG firms have been taken into account.

According to the Arunkumar O.N & T. Radha Ramanan

The analyses are conducted to identify the effects of short term financial management on short term and long term investments. The descriptive and regression analyses have identified critical management practices and are expected to assist managers in identifying areas where they might improve the financial performance of their operation. The negative relationship between creditors days and profitability suggest that long number of days of accounts payable leads the firm to a low level of profitability and vice versa. The sensitivity analysis can suggest the range of return on assets with the given independent variables.

According to the M. GANUGA NAIDU* As per the analysis performed it has been found that the ratios like interest earn ,total expenditure, net profit to total funds have recorded a downfall leading to decrease in the profitability while decrease in the ratios interest expenditure leading to increase the Burdon ratios. Hence this leads to increase in the profitability indices. The bank has to re-orient their strategies in the light of their own strengths and the kind of market in which they are likely to operate on. In the perspective of this domestic and international development, the banking sector has to chart out a perfect path for the development in its own.

According to the Miss.Tharshiga Murugesu This paper analyzed the effect of cash conversion cycle on profitability in ten listed plantation companies in Sri Lanka between 2008 and 2012. Results revealed that there is negative relationship between return on equity and cash conversion cycle.48.5 percent variation of ROE explained by CCC. Further Cash conversion cycle also had negative impact on Return on asset. In here

61.6 % explained by CCC. In addition cash conversion cycle had 60.2 % negative impact on net profit.

According to the Muneeb Ahmad This study conducted on listed companies in the Karachi Stock Exchange, presents the mean values CCC for various industries comparatively. Moreover, the finding indicated a significant negative correlation between the length of CCC and the firm size, in terms of total assets. Interestingly, here appears a significant positive relationship between the length of CCC and the profitability of firms in terms of return on total assets giving a strong indication to the firm managers/owners that longer the CCC turnover in days, lesser capital will be deployed in current assets and eventually there will be more capital investment leading towards a higher profitability of the firm.

According to the Dr. Ashok Kumar Panigrahi Cash conversion cycle is significant for every manufacturing company since it helps the financial managers to figure out the inventory holding period as reflected by the total number of days the cash of a company remains blocked in to the business operations cycle starting from the manufacturing of inventory till selling of that inventory. Cash cycle is very powerful tool for examining how well a manufacturing company's working capital is being managed. Financial managers have to run the manufacturing companies for longer period and for that they make decisions to manage working capital by creating a balance between the available current assets and current liabilities. Moreover the financial managers can reduce the risk of future shortfall of cash and bankruptcy by managing cash conversion cycle well.

According to the Pedro Juan Garcia-Teruel Working capital management is particularly important in the case of small and medium-sized companies. Most of these companies' assets are in the form of current assets. Also, current liabilities are one of their main sources of external finance. In this context, the objective of the current research has been to provide empirical evidence about the effects of working capital management on the profitability of a sample of small and medium-sized Spanish firms. For this purpose, we collected a panel consisting of 8,872 SMEs covering the period 1996-02.

According to the D.Padma and V.Arulmathi State Bank of India (SBI) and ICICI Bank are the two largest banks in

India in public and private sectors respectively. To compare the financial performance of the banks, various ratios have been used to measure the banks' profitability, solvency position, and management efficiency. According to the analysis, both the banks are maintaining the required standards and running profitably. The comparison of the performance of SBI and ICICI Bank indicates that are significant difference between performance of SBI and ICICI Bank in terms of Deposits, Advances, Investments, Net Profit, and Total Assets. It is inferred that SBI have an extensive operation than ICICI Bank.

According to the Marco Muscettola Generally cash management is based on cash conversion cycle and is considered as important factors enhancing the performance of companies (Muscettola, 2010), since it shows how efficient a firm is in its payments of bills, collection of payments, and selling of inventory. The cash cycle is a very powerful tool for examining how well a manufacturing company's working capital is being managed. Financial managers have to run the manufacturing companies for longer period and for that they make decisions to manage working capital by creating a balance between the available current assets and current liabilities.

According to the Dr. Amalendu Bhunia Liquidity management is of crucial importance in financial management decision. The optimal of liquidity management is could be achieve by company that manage the tradeoff between profitability and liquidity management. The purpose of this study is to investigate the liquidity management efficiency and profitability relationship. A descriptive statistics discloses that liquidity and solvency position in terms of debt is very satisfactory and relatively efficient liquidity management is found but liquidity position has no impact on profitability. Multiple regression tests confirm a lower degree of association between the working capital management and profitability. Thus, company manger should concern on liquidity management, especially unexplained variables in purpose of creation shareholder wealth.

According to the Julius Enqvist We utilize the cash conversion cycle (CCC), defined as the length of time between a company's expenditure for the procurement of raw materials and the collection of sales of finished goods, as our measure of working capital. We further make use of 2 measures of profitability, return on assets and gross operating income. We document a negative relationship between cash conversion cycle and corporate profitability. Our results also show that companies can achieve higher profitability levels by managing inventories efficiently and lowering accounts receivable collection times. Furthermore shorter account payable cycles enhance corporate profitability. These results, which largely mirror findings from other countries, indicate effective management of firm's total working capital as well as its individual components has a significant effect on corporate profitability levels.

According to the Dr.Vani R Kamath The study that the investor or the general public interested in the investing in retail industry can invest in Trent if he or she is interested in the overall growth of the company. The decision of the Government to allow 51% FDI in the retail sector also has the positive impact on Trent followed by Provogue and Shoppers Stop. The main limitation of the paper is that the data has been taken for the period of one financial year from the annual reports of all the three companies due to time constraints. The study can be applied to understand the impact of Government policy on the retail sector and also for the future research purpose by the researchers.

According to the Dr Ioannis Lazaridis They observed a negative relationship between profitability (measured through gross operating profit) and the cash conversion cycle which was used as a measure of working capital management efficacy. Therefore it seems that operational profitability dictates how managers or owners will act in terms of managing the working capital of the firm. We observed that lower gross operating profit is associated with an increase in the number days of accounts payables. The above could lead to the conclusion that less profitable firms wait longer to pay their bills taking advantage of credit period granted by their suppliers. The negative relationship between accounts receivables and firms' profitability suggests that less profitable firms will pursue a decrease of their accounts receivables in an attempt to reduce their cash gap in the cash conversion cycle.

According to the Ali Uyar the finding indicated a significant negative correlation between the length of CCC and the firm size, in terms of both net sales and total assets. Hence, smaller firms have longer CCC. This finding is parallel to the finding of the study conducted by Moss and Stine (1993). Since longer cash conversion cycles are associated with smaller firms, this offers a strong incentive for these firms to better manage their cash conversion cycle. Lastly, the significant negative correlation between the length of CCC and the profitability is another important finding of the study. The message to the firms is that the longer CCC, the less profitable you are. The probable reasons are keeping inventory for a long time, being slow in collecting receivables, and paying debts quickly.

According to the Haitham Nobanee One of comprehensive measures of working capital management efficiency is the cash conversion cycle that concedes all financial flows associated with inventory, receivable and payables. The traditional link between the cash conversion cycle and firm's profitability and market value is that reducing the cash conversion cycle by reducing the time that cash are tied up in working capital improves firm's profitability and market value. This could happen by shortening the inventory conversion period via processing and selling goods to customers more quickly, by shortening the receivable collection period by speeding up collections, or by lengthening the payable deferral period via slowing down payments to suppliers. On the other hand, shortening the cash conversion cycle could harm the firm's profitability; reducing the inventory conversion period could increase the shortage cost, reducing the receivable collection periods could makes the company's to louse it's good credit customers, and lengthening the payable period could damage the firm's credit.

RESEARCH METHODOLOGY

RESEARCH DESIGN

This chapter describes a research design as ? a plan that describes how, when and where data are to be collected and analyzed. It basically shows how study will be conducted to fulfill the defined objectives.

There are major two ways in which research design is identified, Exploratory Research and Descriptive Research.

Exploratory research is useful when researcher doesn't have enough idea about how to proceed with the research problem. If any formal research methods or protocol are not employed in particular area then researcher may use Exploratory Research Design.

Descriptive Research helps to identify characteristics of groups or individuals. The major purpose of descriptive research is description of the state of affairs as it exists at present. Descriptive research is gathering of information about prevailing conditions or situations for the purpose of description and interpretation. This type of research method is not simply amassing and tabulating facts but includes proper analyses, interpretation, comparisons, identification of trends and relationships.

A good and well-planned research design consists of the following components, or tasks:

- Identification of specific information needed based problem in hand and the selected design.
- Selection of appropriate type of design: Exploratory, descriptive and/or causal design.
- Specification of measurement and scaling procedures for measuring the selected information.
- Mode of collection of information and specification of appropriate form for data collection.
- Designing of appropriate sampling process and sample size.
- Specification of appropriate data analysis method.

Research Design Selected

For purpose of fulfilling the objectives defined earlier Descriptive Research Design was most suitable. Hence it has been adopted for conducting study.

RESEARCH METHODOLOGY

Research methodology of the project is the way and the methods in which project is conducted. The methodology broadly consists of primary survey and secondary survey for collection of relevant information. It involves identification of necessary steps in two phase of primary & secondary survey.

SAMPLE DESIGN

A sample design is the roadmap or framework which serves as the basis for selecting sample for survey. It will include Sampling Unit, Sampling Technique and Sample Size.

SAMPLING UNIT

Main objective of the research is to find out the most efficient companies via. Their profitability, growth, Investment opportunities in sectors and especially in all the 49 companies.

SAMPLING TECHNIQUES

Sampling technique can be broadly classified in two parts as Non Probability and Probability Sampling.

Non Probability technique of selecting sample has been used for the study. Samples were divided in sectors mainly to determine the specific purpose of the research. I took the simple observations from the sample set of the data.

SAMPLE SIZE

Sample size determination in empirical research is very important. Sample size should be carefully selected from the Bombay stock exchange (BSE) listed companies. In this research I took the sample size of 50 BSE listed companies.

DATA SOURCES

There are generally two ways from where data can be generated but in this research I took only secondary data to fulfill the purpose of the research.

Secondary Data: Secondary data is a type of data that has already been published in books, newspapers, magazines, journals, Annual reports, etc. There is an abundance of data available in these sources about your research area in business studies, almost regardless of the nature of the research area.

DATA COLLECTION INSTRUMENTS

For the purpose of Secondary Data collection Companies sites and money control portal is being used, in which the data from the disclosed annual reports of pervious years is identified and used for the study. In this study, data were collected from 50 companies websites and the other portals.

TOOLS & TECHNIQUES FOR ANALYSIS OF DATA

The tools and techniques which will be used for the analysis of data MS Excel and SPSS.

Microsoft – Excel has been used for data entry stage. Later that data was exported to SPSS. Microsoft Excel was also used to find some descriptive analysis.

SPSS 20 has been used to perform various tests like Regression analysis, Normality test, Annova.

Conclusion

In the whole research and data analysis, I found very interesting results which can reforms the study of the finance people. So, as per the results the most profitable company is identify by the means of the various test and the higher the mean of the sector, higher the profitable. Pharmaceuticals top the list with the mean of 53.9215, Manufacturing comes on second in the list with the mean of 47.39017169, IT rank on third position with the mean of 37.1228. On the other hand the interesting thing is that there is no significant effect of cash conversion cycle (CCC) on the Gross profit Margins and ROE of the companies. As per the results comes from the study, it is clearly stated that there is no effect of CCC on these two variables. This study also finds out that Investors must focus on the Pharmaceuticals sectors for the better and long term gains.

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ANALYSIS OF RURAL MARKETING AND ITS IMPACT ON FMCG PRODUCTS

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INTRODUCTION

There was a time when the FMCG companies ignores rural market, they took no any interest to produced or sell products in rural market in India. It was the initial stage of FMCG companies in India. As per as the time had passed, the strategy and marketing style of FMCG companies had been change. Rural markets have acquired significance in India as the overall growth of the economy has resulted in substantial increase in the purchasing power of rural communities. As urban markets are getting saturated and competitive, companies focus themselves in capturing the vast rural market. "Go Rural" is the slogan of marketing gurus after analyzing the socio-economic changes in villages. Rural markets accounts for 54% of FMCG and 60% of durable goods. Rural consumption is getting high as the technology is advancing everywhere and also buying pattern and demand of the rural consumers have changed from basic low-priced product to luxurious ones due to their increased income. Dynamics of rural markets differs from other market types and similarly its strategies also differ from the marketing strategies aimed at the urban consumers. A firm seeking the share of this rural market has to work for it as the market includes variety of problems such as physical distance, communication risks due to illiteracy, differed tastes and attitudes of rural consumers, risks in setting suitable pricing and distribution strategy etc. considering the environment in which the rural market operates and other related problems, it is possible to evolve effective strategies for rural marketing. Thus future is very promising for those who can understand the dynamics of rural markets.

• Character of rural market:

1. The households belonging to the middle-income and above categories that constitute the bulk of the consuming class had been increasingly steadily over the years.
2. The rural income is seasonal in nature and to a great extent influenced by non-controllable factors such as draughts and floods, crop failures due to pests, and similar factors
3. The rural market in India is vast and scattered and offers various opportunities in comparison to the urban sector. It covers the maximum population and regions and thereby the maximum number of consumers.
4. The steps taken by the government of India to initiate proper irrigation, infrastructural developments, prevention of floods, grants for fertilizers, and various schemes to cut down the poverty line have improved the conditions of rural masses resulting in increased rural consumption.
5. During the last decade the rural consumers were in need for low end products which would meet their basic demands and necessities. But of lately due to change in technology and rather advancement in technology, the demand for people have also changed and the buying pattern which initially comprised of basic products have now shifted to luxurious products.
6. Media reach is a strong reason for the penetration of goods like cosmetics, mobile phones, etc., which are only used by the urban people. Increasing awareness and knowledge on different products and brands accelerate the demand.
7. Sales will be higher in rural areas during harvesting periods as the income will be higher during that period.

• Characteristics of rural consumers:

People in rural areas have poor job opportunities than urban.

The rural consumer is very conscious about getting value for money.

He understands symbols and colors better, and looks for endorsement by local leaders or icons.

He doesn't like to pay extra for frills he cannot use.

He has a very high involvement in any product purchased especially when he decides to buy high-end products, which cost a few hundreds or thousands of rupees.

The rural market of India is a geographically scattered market.

Rural consumers continue to be marked by low purchasing power.

The rural consumers are marked by a conservative and tradition-bound lifestyle.

Rural consumers buy small packs, as they are perceived as value for money.

There is brand stickiness, where a consumer buys a brand out of habit and not really by choice.

The rural consumers of India are a tradition bound community; religion, culture and even superstition strongly influence their consumption habits.

• Challenges:

There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India is still in evolving shape, and the sector poses a variety of challenges. Unlike urban markets, rural markets are difficult to predict and possess special characteristics

1. Difficulty in Payment- collection: The majority of rural population is still unbanked. Non cash collections are not possible and even cash collections are also difficult as technical advancements in banking sector has not yet reached in rural areas.
2. Understanding the Rural Consumer: Unlike urban consumers, rural consumers taste and preferences are difficult to understand as their choices were influenced by many factors.
3. Poor Infrastructure: Lack of buildings, electricity, water supply etc affects the basic business functions.
4. Physical Distribution: Poor road connectivity is often a big challenge for the rural marketers to transport their products or services to the rural consumers. Only 40% of the villages in India have proper road connections.
5. Shortage of retail outlets: Non-availability of adequate retail outlets is a major problems faced by the marketers.
6. Illiteracy: Rural folks do not understand clever, gimmicky, quick (fast-paced), suggestive and hi-tech ad films. And also it is very difficult to make the rural consumers to understand the promotion campaigns and its theme and also the usage of a product.
7. Inadequate storage facilities and warehousing leads to inadequate stocking of products.
8. Highly credit driven market and low investment capacity of retailers.

A rural consumer generally poses the habit purchasing goods for credit due to their low income. But financially unsound retailers can't give credit.

9. Dispersed or scattered rural population: it is very expensive to conduct market promotion campaigns and to meet other expenditures over scattered market.

10. Large number of intermediaries leading to higher costs.

Due to physical distance, a producer needs the help of so many intermediaries in selling his product to the rural consumers. High intermediation increases price.

LITERATURE REVIEW

According to National Council of Applied Economic Research (NCAER), rural households form 71.7% of the total households in the India. Spending in this segment is growing at a fast pace and consumption patterns are closing in on those of urban Indian market. Jagmohan Singh Raju, professor of marketing at Wharton, says: "No consumer goods company today can afford to forget that the rural market is a very big part of the Indian consumer market. You cannot build a presence for a brand in India unless you have a strategy for reaching the villages."

According to Hansa Research, the penetration of consumer durables has risen sharply in India's villages between the

years 2000 and 2005. In color TVs segment, sales are up 200%; in motorcycles, 77%. In absolute numbers, however, the penetration of durables is still low. Coke, for instance, reaches barely 25% of the rural market. This means the potential is huge for companies that develop effective rural marketing strategies.

According to NCAER, the low penetration rates in the rural markets can be attributed to three major factors: low income levels, inadequate infrastructure facilities and different lifestyles (urban and rural). But income levels are going up, infrastructure is improving and lifestyles are changing in the rural areas. Almost a third of the rural population in India now uses shampoo compared with 13% in 2000, according to Hansa Research.

The Confederation of Indian Industry (CII) has recently released the report which was prepared by McKinsey & Company, "Bharat Nirman Plus: Unlocking Rural India's Growth Potential". The success of Bharat Nirman Plus depends on two key factors - creating innovative models that can be replicated across India's vast and diverse rural sector, and concerted actions by all stakeholders - central and state governments, local communities and panchayats and the private sector. CII believes that Bharat Nirman Plus has the potential to help India realize its aspiration of Inclusive Growth.

FICCI has brought out a book titled "Business in Service of Rural India". In this an attempt has been made to portray some of the success stories of the different organisations, which have been actively involved in the empowerment and development of the rural masses through various social welfare schemes and useful programmes. These models thus depict synergies between the corporate and the rural economy; inspire other organisations to venture into similar projects in rural India leading to rural upliftment and better quality of life for the rural population.

Trends indicate that rural markets are coming up in a big way and growing twice as fast as the urban markets. According to a National Council for Applied Economic Research (NCAER) study, there are almost equal number of 'middle income and above' households in the rural areas as there are in the urban areas. There are also, almost twice as many 'lower middle income' households in rural areas as in the urban areas. And at the highest income level there are 2.3 million urban households as against 1.6 million households in rural areas.

According to Mr. D. Shivakumar, Business Head (Hair), Personal Products Division, Hindustan Lever Limited, the money available to spend on FMCG products by urban India is Rs. 49,500 crores as against is Rs. 63,500 crores in rural India. According to him the four factors which influence demands in rural India are- access, attitude, awareness and Affluence. HUL has successfully used these to influence the rural market for its shampoos in sachets successfully.

As per NCAER, the number of middle- and high-income households in rural India is expected to rise from 80 million to 111 million by 2007. In urban India, the same is expected to rise from 46 million to 59 million. Thus, the absolute size of rural India is expected to be double that of urban India by 2007. The study on the ownership of goods indicates the same trends. It segments consumer durables under three distinct groups - (1) necessary products - Transistors, wristwatch and bicycle, (2) Emerging products - B&W TV and cassette recorder, (3) Lifestyle products - CTV and refrigerators. Marketers have to depend on rural India for the first two categories for growth and size at the moment. Even in lifestyle products, rural India will be significant over the next five years.

At a recent seminar in Chennai on 'rural marketing for competitive advantage in globalized India', marketing pundits have echoed that a sound network and a thorough understanding of the village psyche are a SINE QUO NON for making inroads into rural markets. The price-sensitivity of a consumer in a village is something the marketers should be alive to. Rural income levels are largely determined by the monsoon and, hence, the demand there is not consistent. Apart from increasing the geographical width of their product distribution, the focus should be on the introduction of brands and develop strategies specific to the rural consumers. Britannia Industries launched the Tiger Biscuits especially for the rural market and it clearly paid dividend. Its share of the glucose biscuit market has increased from 7 per cent to 15 per cent since then.

Commenting on the marketing problem facing agricultural goods produced in the rural belt, Mr Gapalkrishnan said, "We are obsessed with the production of food grains in this country. The problem however lies with marketing, particularly the cash crops." Heavens will not fall if production falls, but it will badly impact rural economics, if you cannot market the extra output produced, he said.

RURAL MARKETING - INDIAN PERSPECTIVE

The Indian rural market with its vast size offers great opportunities to the marketers. Two-thirds of the Indian consumers reside in rural areas and almost 1/2 of the national income is generated here in these areas. It is thus natural that the rural markets form an integral and important part of the overall market of India. Our nation is made up of around 722 districts, and approximately 649481 villages which can be sorted out on the basis of different parameters such as literacy levels, accessibility, income levels, penetration, etc.

The success of any brand in the Indian rural market is very unpredictable. It has always been very difficult to judge the rural market. Many brands have failed miserably for reasons unknown. More often than not, people attribute rural market success to luck. Therefore, marketers have to understand the dynamics and attitudes within each and every village.

The main problems faced by marketers in rural marketing are:

- The problem of Physical Distribution
- The problem of Channel Management
- The problem of Promotion and Marketing Communication

The channel management and physical distribution problems adversely affect the service as well as the cost aspect of marketing. The current market structure consists only of primary rural market and retail sales outlet. This market structure involves stock points located in feeder towns to service these rural retail outlets. But it becomes very difficult to maintain the required service level in the delivery of the product at retail level.

One of the ways could be using company delivery vans which can serve two purposes- it can take the products to the customers and it also enables the firm to establish direct contact with the consumers and thereby facilitate sales promotion. However, only the big companies can adopt this channel. The companies with relatively fewer resources can go in for syndicated distribution where a tie-up between non-competitive marketers and organizations can be established to facilitate the distribution process.

As a general rule, rural marketing involves more intensive personal selling efforts compared to the urban marketing. In order to effectively tap the rural market a brand must associate it with the same things that the rural folks do. This can be done by using the various rural folk media to reach them in their own language and in large numbers so that the brand can be associated with them.

One very fine example can be quoted of Escorts where they focused on deeper penetration. In September-2005 they established rural marketing sales. They did not rely on T.V or press advertisements rather concentrated on focused approach depending on geographical and market parameters like fares, melas etc. Looking at the 'kuchha' roads of village they positioned their mobike as tough vehicle. Their advertisements showed Dharmendra riding Escort with the punch line 'Jandar Sawari, Shandar Sawari'. Thus, they achieved whopping sales of 1,00,000 vehicles annually.

Thus by looking at the challenges and opportunities that the rural markets offer to the marketers, it can be said that the future shows great prospects for all those who can understand the rural market and its dynamic and can then exploit them for revenue generation.

ATTRACTIVENESS OF RURAL MARKET

- Large Population Size
- Raising Prosperity Of The Rural Households
- Growth In Consumption In Rural India
- Life-Style Changes Of The Rural People
- Life Cycle Advantages To The Manufacturers
- Rural Market Growth Rates Are Higher Than Urban
- Rural Marketing Is Not Expensive
- Remoteness Is No Longer A Problem And Can Be Overcome.

ANALYSIS OF THE RURAL MARKET IN INDIA

Rural market of India consists of about 68.84% of the population of the country. Apparently in terms of the number of people, the Indian rural market is almost twice as large as the entire market of USA or Russia. This market is not only large, but very much scattered geographically. It is also as diverse as it is scattered. It exhibits linguistic, regional and cultural diversities and economic disparities, and hence, it can easily be considered as more complex than the market of a continent as a whole.

The rural market scene has undergone a steady and encouraging change over the last three decades. In spite of several barriers to faster growth, the growth has not only been quantitative, but also qualitative. This change has been possible because of new employment opportunities and new sources of income made available through rural development programs which have resulted in green and white revolutions and a revolution in rising expectations of rural masses.

The rural buyers in India provide a tremendous range of contradictions and paradoxes which baffles the urban-based marketing people and, even more so, the foreign observers. Rural consumers are far less homogeneous than their urban counterparts and differ from region to region.

The rural market is made up of two broad components i.e., the market for consumption goods and the market for agricultural inputs. The rural markets are by and large less exploited. Another important feature of the rural market is that at least in the present context, it is largely agriculture oriented. Green revolution and the resultant prosperity is confined to a few select areas in the country. As a result, the effective demand for consumer items has not spread all over rural India. Income generated from the money sent by the members of their families employed in towns and abroad also helped the rural people to spend more on consumer goods.

In spite of the increasing rate of growth in urban population through migration and other channels and the consequent increase in their purchasing power, the rural market still offers opportunities which are vast and yet relatively untapped.

It has been noted that the rural consumer is discerning and the rural market vibrant. At the current rate of growth it will soon outstrip urban market. Surveys and audits for a number of consumer products and services have, over the years, clearly highlighted the emerging importance of this sector.

The rural market is not sleeping any longer. 'Go Rural' seems to be the latest slogan. Rural consumption of all products is growing by leaps and bounds, since the urban market has reached near saturation levels in a number of categories.

FACTORS CONTRIBUTING TO RURAL BOOM

The boom in the rural areas is caused by the following factors-

- Increased disposable income
- Marketable surplus of products with the people, like vegetables and eggs
- Government's Rural development schemes
- Improved infrastructure
- Increase in retailing activities and number of retailers
- Increase in awareness of the rural consumer due to information explosion
- The expanding network of Television
- Government's liberal policies for rural development
- Companies emphasizing on rural markets
- New cadre of entrepreneurship
- Competitive and creative sales promotion activities.
- The revolution of Packaging and,
- The changing life styles of the rural masses.

PROBLEMS OF RURAL MARKETING

In the context of India, marketing in rural areas is a complex subject. For any business organization, rural marketing comes with a number of problems. The cost of rural marketing is large and poses many problems due to the large size of the country.

A few other problems that stem from the under developed rural markets and illiterate people in rural India, constitute the major segment of the markets. More purchasing power for the rural population is not enough. The activation of buying by the rural consumers on a wider scale is a prerequisite for the exploitation of the Indian rural market.

It is now collectively accepted that the rural salesmanship in India has been insufficient and inadequate and out of proportion to the agriculture revolution. This calls for strong bias in favor of raising the rural demand as against the urban demand. The traditional marketing activities in the urban and semi-urban contexts of promotion, distribution, sales and servicing, undertaken so far are to be extended to cover a wider area in the rural environment by introducing appropriate innovation, selection and adoption techniques. There are about 649481 villages in India. Thus posing a grave problem for the marketers.

MAJOR PROBLEMS IN TAPPING THE RURAL MARKET

1. High expenditure on distribution
2. Management plus sales managing problems
3. High cost of initial market development
4. Banking plus credit problems
5. Marketing research problems
6. Inability of the small merchant and farmer to carry stock without sufficient credit facility
7. Creating effective demand for manufactured foods
8. Low level of exposure to diverse product categories and different product brands
9. Wholesaler and dealer network problems
10. Problems of mass communication and promotion
11. Prevalence of Inadequate infrastructure facilities
12. Highly dispersed (fragmented) and thinly populated rural markets
13. Low per capita income, poor standards of living of the rural masses, social and economic backwardness.
14. Cultural gap that exists between urban based marketers and rural consumers.

The development of the rural marketplace will involve additional costs both in terms of promotion and distribution. In rural marketing, often it is not promotion of a brand that is critical, but creating an awareness regarding a particular product field.

Urban and semi-urban based sales people are not able to tap the complete potential in the villages. Here, it may be recommended that the marketers may select and employ the educated unemployed people from villages.

ADVERTISING IN RURAL INDIA

LANGUAGE, MARKETING COMMUNICATION, AND CONSUMERISM.

A dramatic change is in progress in rural India. Villagers who used to crack open peanut, eat the nut and throw the shell away are now demanding candies that will melt in their mouth. Charcoal-cleaned teeth are also a rare sight now; so is the case with neem (neem) and babul (babool) tree. Today, the bright shine of Colgate or some other international toothpaste like Pepsodent, etc. holds more demand than the conventional methods of cleaning teeth like coal, etc. Even the local expressions of cleaning teeth, such as daatun karnaa, are endangered to being replaced by new terminology such as paste karnaa, 'to brush teeth'.

These villages and small towns, which were once negligible dots on maps, are now getting the interest of universal marketing giants and media planners. Thanks to globalization, economic liberalization, IT revolution, female power, and

improving infrastructure, middle class rural India today has more disposable income than urban India. Rural marketing is also gaining new heights in addition to rural advertising.

Rural India represents the heart of India. Approximately 79% of India lives in over 6 lakh villages (649481), generating more than half of the annual national income. Following insights can be derived:

- A range of facets of rural media and integrated marketing communication. In addition to rural market conversation, media forms such as wall paintings, calendar advertising, outdoor advertising, print, radio and television advertising.
- Art of crafting messages to meet rural tastes and sensibilities. In particular, uniquely Indian media forms such as video van technology, which has changed the face of not only marketing but also political campaigning. Rural markets (haats) which are the mobile McDonald's or Walmart of India.
- Targeting women and religious groups in addition to rural population.
- Marketing taboo products such as 'bidi', cigarettes, sanitary supplies, and other such products.
- Globalization and its effects on product naming, product monitoring, rural discourse and media forms.
- Creativity and deception, together with guidelines for advertisers and marketers.
- Information structures and logic of rural ads. • Ads as a social barometer of changing relationships and value systems.

FAST MOVING CONSUMER GOODS SECTOR BACKGROUND

The FMCG sector has always been the cornerstone of the Indian economy. Although, the sector has been in existence for quite a long time now, it began to take shape only during the last fifty years. To date, the Indian FMCG industry suffers from a definitional dilemma. In fact, the industry is yet to materialize in terms of definition and market size, among others. Generally, FMCG refers to consumer non-durable goods required for frequent and daily use. The sector touches every aspect of human life. Perhaps, defining an industry whose scope is so vast is not an easy job.

Post-reforms, the FMCG industry's growth has been hinging around the rural population which has witnessed considerable rise in disposable incomes. Consequently, the rural markets have also been witnessing strong competition in almost all the consumer product categories. Another reason which has led to rise in this trend is that the saturation in urban markets has come in most of the consumer non-durable goods categories i.e. the FMCG category. This has led to the industry players striving for greater rural penetration as a future growth vehicle, the area which accounts for almost 70% of the total Indian households

The FMCG sector consists mainly of sub segments viz. a.) Personal care, b.) Oral care and c.) Household products. This can be further sub-divided into oral care, soaps and detergents, beauty cosmetics, hair care products, Health and Hygiene products, food and dairy-based products, cigarettes, and tea and beverages. Of late, there seems to be a liberal approach towards branding of the companies/products as FMCG; companies in businesses like paints (Asian Paints), adhesives (Fevicol) too are being labeled as FMCG stocks in the stock market parlance.

So far, it has been dominating graph for the MNCs operating in the Indian FMCG industry. Domestic companies are only now beginning to make their presence felt in the industry. It has taken tremendous consumer insight for the FMCG players to reach where they are today. But, the journey seems to have just now begun. The majority of the rural populace are yet to get access to the items of daily usage or FMCG products like toothpastes, soaps and shampoos.

PILLARS OF FAST MOVING CONSUMER GOODS

The Fast Moving Consumer Goods (FMCG) business is built on two concrete pillars i.e. Brand and Distribution. Now let us study the comprehensive conceptual coverage of these pillars and the other key concepts of marketing.

1. MARKETING
2. ADVERTISING AND PROMOTION
3. MARKETING RESEARCH

4. BRANDING
5. DISTRIBUTION
6. MARKET SEGMENTATION AND POSITIONING
7. VALUATION OF THE BRANDS

DISTRIBUTION

Distribution channels and network

Marketing or Distribution channel refers to the set of marketing intermediaries which the manufacturers link together to reach their products to the ultimate consumers. Depending on the product, nature of market and manufacturers' resources/strategy, there can be one or more links between the manufacturer and consumer. They can be like-

- a. Manufacturer - Retailers
- b. Manufacturer - Wholesalers - Retailers
- c. Manufacturer - Stockiest - Wholesalers - Retailers.

Why do we use distribution channels?

There are several benefits of using distribution channels for a manufacturer particularly in case of consumer goods.

- Efficiency- in performing the basic task of marketing by these intermediaries who through their experience, specialization, knowledge of local conditions, contacts and scale, offer services which manufacturers can scarcely do on their own.
- Cost advantage- most of these intermediaries in India are family owned outfits. Their cost of operations and overheads are substantially lower.
- Focus- Manufacturers can concentrate on their core activity and optimize return on assets.

FMCG CONSUMTION IN RURAL INDIA

In the Indian Rural market the rain gods still play with one's dreams. Weekly rural bazaar or hut, brim over with din, bustle and transaction. This is where the real India resides. Telephone is kind of a luxury here. Electricity, if at all, comes here only for short durations. And a delivery by road may take a very long time.

However, things have started changing fast now. Thanks to the increasing level of literacy and media explosion, the rural people are becoming conscious about their lifestyles and about their rights to live a better life. Brand consciousness is also on the rise. This, together with increasing disposable income of rural households, has made the rural population more demanding and choosier in their buying behavior than ever before. The rural India offers a huge market potential. A mere percent increase in India's rural income translates to a Rs 10,000 crore of buying power. Nearly two-thirds of all middle-income households in the country reside in rural India. And close to half of India's total buying potential lies in its villages. Thus for the country's marketers, rural reach is on the rise and is fast becoming their most important route to growth. Realizing this, Corporate India is now investing a sizeable portion of its marketing budget to target the rural consumers.

INCREASING BRAND AWARENESS

In the rural families, studies indicate a slow but determined shift in the use of categories. There is a remarkable improvement in the form of products used. For instance, households are upgrading from indigenous teeth-cleaning ingredients to tooth powder and tooth-pastes, from traditional mosquito repellent to coils and mats. There is also a visible shift from local and unbranded products to national brands. They are also shifting from low-priced brands to premium brands.

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FMCG CONSUMPTION

Organizations like Hindustan Lever Ltd., Nirma Chemical Works, Colgate Palmolive, Parle foods and Malhotra Marketing have carved inroads into the heart of rural markets. Various categories of products have been able to spread their tentacles deep into the rural market and achieved significant recognition in the country households. And, in the process, the regional brands, local brands and the other unbranded offerings got displaced by the leading brands.

Of the expenditure on consumer goods in rural household, approximately, 44% is on food articles such as biscuits, tea, coffee and salt, 20% on toiletries, 13% on washing material, 10% on cosmetics, 4% on OTC products and 9% on other consumables. A number of category products have established themselves firmly in the rural households.

It is evident that in the villages low-priced brands are well accepted and one might feel that a larger proportion of the purchases made in rural market can be attributed to local/ unbranded players. Surprisingly, however, the unbranded/local component contributes to a substantial portion of the volume of only a few of the highly penetrated categories.

FOCUS ON URBAN CATEGORIES

Though the commodity products have greater penetration, traditionally urban categories such as skin creams and talcum powder have also made a mark. While the urban talcum powder market suffered a de-growth, the rural talcum powder market darted ahead. Similarly, growth of rural skin cream market was at par with that of urban skin cream market. This clearly indicated that after being considered urban for a long time, some categories are now wearing a rural face. And, in many a case, it is the rural market that is actually driving the growth of category.

PREMIUM BRANDS

Pond's is the leader in the talcum powder category with a penetration of 65% and volume contribution of 56%. Its rivals viz. Nycil and Liril are trailing far behind. Moreover, 60% of the Pond's users have purchased no other brand i.e. they are 100% brand loyal. This reflects the strength of the brand in rural bazaar.

Category	Household Penetration
Skin creams	18%
Talcum Powders	15%

the skin care category, Fair & Lovely fairness cream, with a penetration of 75%, accounts for 60% of the skin care market in rural India. It also enjoys the undistinguished patronage of 58% of its user households. Both Pond's and Fair & Lovely are enjoying a monopoly in the rural markets in their respective categories.

Rural India is not averse to trying out the premium brands at high prices. A study indicated that a majority of the premium brand users are using the brand for the first time. Similarly 0.9% of the talcum powder-using families have started using Denim talc and 0.7% of the shampoo using households started using Pantene. Surveys also reveal that trials are not restricted to the more affluent echelon of the villages. The experimenting households are more-or-less evenly spread across the various socio-economic clusters of the rural market. This should further encourage the marketers to focus their attention on rural buyers.

Brand	Penetration of category users
Surf	6.2%
Ariel	4.5%
Pantene	1.8%
Denim	1.8%

The rural youths are more open to fresh concepts as against their elderly family members. Their difference in choice of products/brands with the seniors of the households often leads to a "dual-usage" of product categories. As an instance, 20% of the households using tooth powder also use tooth paste. Similarly, many of the households using premium brands also use mass market brands. For example, while 15% of Surf and 12% of Ariel using families also use Nirma detergent, 3% of Denim users use Pond's Dream flower talc and 18% of Pantene using households use Clinic shampoo as well.

STRATEGIES FOR SELLING IN RURAL INDIA

In order to overcome the immense competition in the urban markets, more and more MNC's are eyeing the vast customer base of rural India. These companies wishing to enter this market face some serious problems. Although the potential in the rural market is immense for all sort of FMCG products, a strategic approach has to be followed.

THE 4 A APPROACH

The rural market may be showing great potential but it is not without its problems. The various challenges faced by the marketers' are:-

AVAILABILITY

Indian rural market is very large. So in order to make a pan India presence marketing activities have to be undertaken on a very big scale. Thus the first challenge is to make available your product to the masses. Adding to the problem is the poor condition of the rural roads.

AFFORDABILITY

The other challenge is that of affordability. The rural market is characterized by low income levels with huge inequality in distribution. Thus the companies have to focus on low cost production techniques and marketing products that offer value for money.

ACCEPTABILITY

Special products have to be crafted for the rural areas keeping in mind their unique needs. Products successful in the urban areas are not necessarily successful in rural India. Thus the third challenge is to craft products acceptable by the rural masses.

AWARENESS

Another challenge is of spreading awareness about your product. Since media is not very active in rural areas, it poses a grave challenge for these companies to market their products. Thus the companies have to look for alternative ways of promoting their products rather than the conventional channels.

RESEARCH OBJECTIVE

- To study and identify the potential of FMCG products in Rural India.
- To access and differentiate rural marketing from urban marketing.
- To analyze the demand for specially crafted FMCG products for the rural market.

Hypothesis

H0: Rural market has great potential for selling FMCG products

H1: Rural market does not have potential for selling FMCG products

H0: Rural marketing strategies are different from Urban marketing strategies

H1: Rural and Urban marketing Strategies are similar

Research Methodology

Research Design

A descriptive research study is conducted. A proper plan was developed and finalized. Research was both primary and secondary in nature. As for the secondary research various websites and government database was thoroughly studied and a clear image of the rural market and rural marketing technique was framed. Also the FMCG market was studied and then the results were studied jointly to help understand the topic. The primary research was carried out in the form of 2 types of Questionnaires which were filled by rural customers and shopkeepers respectively and then on the basis of these the hypothesis was tested and a clear picture of the rural customer was revealed. Decisions regarding data sources, research approaches, sampling plan formalized.

Sample Design

Sample size:

- Shop owners – 25
- Customers – 150

Sampling method

Random & Judgmental sampling

DATA COLLECTION

Type of Data:

Primary data: Questionnaire filled up by Shop Owners and Rural Customers owners

Secondary data: Internet, Books from the College Library, Business World, Business India, Economic Times, Financial Magazine, Economic Survey, Other Journals and research projects available on rural marketing in the college library.

Data Collection Method:

The information on these aspects was collected through primary and secondary means. The study was descriptive and was conducted using two questionnaires, which formed the Primary source information, while literature provided from internet, some books, and company catalogue constituted the secondary source of information.

Place of Study:

The sampling area was Robertsganj.

It is a small town located at the Centre of many villages and forms a primary market for purchasing of FMCG products.

Sampling Frame:

The shopkeepers were randomly selected and the rural customers were selected from those who were coming out of shops and buying FMCG products.

Statistical Instrument:

The various Statistical tools used for mainly

? Pie Chart

? Table

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ANNEXURE

A. Questionnaire for rural consumers

Q.1.NAME

Q.2. GENDER:

A. MALE B. FEMALE

Q.3. HOW OFTEN DO YOU VISIT THE SHOP IN A MONTH?

A. ONCE B. TWICE C. THRICE D. MORE THAN THRICE

Q.4. ARE YOU BRAND LOYAL?

A. YES B. NO

Q.5. WHAT INFLUENCE YOU TO BUY A PARTICULAR BRAND?

A. ADVERTISEMENT B. WORD OF MOUTH C. ATTRACTIVE PACKAGING

D. DEALERS E. SHOP DISPLAY F. IF OTHER PLEASE SPECIFY.....

Q.6. WHICH ATTRIBUTE ATTRACTS YOU MORE, PRICE OR QUALITY?

A. PRICE B. QUALITY C. BOTH

Q.7. DO PROMOTIONAL SCHEMES AFFECTS YOUR CHOICE?

A. YES B. NO

Q.8. IS YOUR CONSUMPTION OF BRANDED FMCG PRODUCTS INCREASING?

A. YES B. NO

Q.9. DO YOU THINK RURAL CONSUMER DEMAND IS DIFFERENT FROM URBAN CONSUMER?

A. YES B. NO

Q.10. DO YOU FIND ANY PRICE DIFFERENCE IN RURAL AND URBAN AREA'S PRODUCT?

A. YES B. NO

Q.11. DO YOU TAKE ADVICE FROM THE SHOPKEEPER BEFORE YOU BUY A PRODUCT?

A. YES B. NO

B. Questionnaire for shop owners

Q.1.NAME

Q.2. GENDER:

A. MALE B. FEMALE

Q.3. HOW OFTEN DOES A REGULAR CUSTOMER VISIT YOUR SHOP?

A. ONCE A MONTH B. TWICE C. THRICE D. MORE THAN THRICE

Q.4. WHAT IS THE MAJOR DRIVING FORCE FOR THE BUYING DECISION?

A. AWARENESS B. LOYALTY C. YOUR ADVICE

Q.5. DO CUSTOMERS LOOK FOR QUALITY PRODUCTS OR COMPROMISE ON QUALITY WITH RESPECT TO LOWER PRICE?

A. QUALITY B. PRICE C. BOTH

Q.6. ARE THE SALES FOR FMCG PRODUCTS RISING?

A. YES B. NO

Q.7. DOES RURAL CONSUMER DEMANDS PRODUCTS THAT ARE DIFFERENT FROM WHAT THE URBAN CONSUMER DEMAND'S?

A. YES B. NO

Q.8. HOW THE CUSTOMERS REACT TO SPECIALLY DESIGNED PRODUCTS FOR THE RURAL MARKET?

A. POSITIVELY B. NEGATIVELY C. NEUTRAL

A Study on Impact of Efficient Business Transaction Processes in Micro, Small & Medium Enterprises (MSME) Shubham Utkresh, Student GLBIMR

INTRODUCTION

Transaction process is a term that refers to the adding, changing, deleting, or looking up of a record in a data file or database by entering the data at a terminal or workstation. Most transaction processing systems also include a method of ensuring that all the information entered as a transaction is simultaneously saved. When a large number of transactions are taken and then stored to be dealt with at a later time, the process is known as batch processing. Different examples of transaction processing include automated teller machines, credit card authorizations, online bill payments, self-checkout stations at grocery stores, the trading of stocks over the Internet, and various other forms of electronic commerce.

At the center of most commercial interactions is a transaction so, every business has to deal with its commercial transactions in some form. How a company decides to manage these transactions can be an important factor in its success. As a business grows, the number of transactions it must manage usually grows as well. Careful planning must be done in order to ensure that transaction management does not become too complex. Transaction processing is a tool that can help growing business deal with their increasing number of transactions.

1.1 Benefits

Transaction processing has these benefits: \

- It allows sharing of computer resources among many users
- It shifts the time of job processing to when the computing resources are less busy
- It avoids idling the computing resources without minute-by-minute human interaction and supervision
- It is used on expensive classes of computers to help amortize the cost by keeping high rates of utilization of those expensive resources.

1.2 Transaction Processing System

A Transaction Processing System (TPS) is a type of information system that collects, stores, modifies and retrieves the data transactions of an enterprise. Transaction processing systems also attempt to provide predictable response times to requests, although this is not as critical as for real-time systems. Rather than allowing the user to run arbitrary programs as time-sharing, transaction processing allows only predefined, structured transactions. Each transaction is usually short duration and the processing activity for each transaction is programmed in advance

A transaction process system and transaction processing are often contrasted with a batch process system and batch processing, where many requests are all executed at one time. The former requires the interaction of a user, whereas batch processing does not require user involvement. In batch processing the results of each transaction are not immediately available. Additionally, there is a delay while the many requests are being organized, stored and eventually executed.

In transaction processing there is no delay and the results of each transaction are immediately available. During the delay time for batch processing, errors can occur. Although errors can occur in transaction processing, they are infrequent and tolerated, but do not warrant shutting down the entire system.

To achieve performance, reliability and consistency, data must be readily accessible in a data warehouse, backup procedures must be in place and the recovery process must be in place to deal with system failure, human failure, computer viruses, software applications or natural disasters.

1.3 Transaction Processing System Features

The following features are considered important in evaluating transaction processing systems.

Performance

Fast performance with a rapid response time is critical. Transaction processing systems are usually measured by the number of transactions they can process in a given period of time.

Continuous availability

The system must be available during the time period when the users are entering transactions. Many organizations rely heavily on their TPS; a breakdown will disrupt operations or even stop the business.

Data integrity

The system must be able to handle hardware or software problems without corrupting data. Multiple users must be protected from attempting to change the same piece of data at the same time, for example two operators cannot sell the same seat on an airplane.

Ease of use

Often users of transaction processing systems are casual users. The system should be simple for them to understand, protect them from data-entry errors as much as possible, and allow them to easily correct their errors.

Modular growth

The system should be capable of growth at incremental costs, rather than requiring a complete replacement. It should be possible to add, replace, or update hardware and software components without shutting down the system.

1.4 Databases for Transaction Processing

A database is an organized collection of data. Databases offer fast retrieval times for non-structured requests as in a typical transaction processing application.

Databases for transaction processing may be constructed using hierarchical, network, or relational structures.

- Hierarchical structure: organizes data in a series of levels. Its top-to-bottom-like structure consists of nodes and branches; each child node has branches and is only linked to one higher level parent node.
- Network structure: A network structure also organizes data using nodes and branches. But, unlike hierarchical, each child node can be linked to multiple, higher parent nodes.
- Relational structure: a relational database organizes its data in a series of related tables. This gives flexibility as relationships between the tables are built.

The following features are desirable in a database system used in transaction processing systems:

- Good data placement: The database should be designed to access patterns of data from many simultaneous users.
- Short transactions: Short transactions enables quick processing. This avoids concurrency and paces the systems.
- Real-time backup: Backup should be scheduled between low times of activity to prevent lag of the server.
- High normalization: This lowers redundant information to increase the speed and improve concurrency, this also improves backups.
- Archiving of historical data: Uncommonly used data are moved into other databases or backed up tables. This keeps tables small and also improves backup times.
- Good hardware configuration: Hardware must be able to handle many users and provide quick response times.

1.5 Examples and uses

An order processing system is a common type of TPS that organizations use to conduct business. When a company receives an order for a product, a TPS checks inventory to determine whether the product is in stock. If it is, the TPS alerts employees to retrieve the product from the warehouse, create and print an invoice and then ship the product.

Every business deals with these types of systems every day and how your company decides to manage these transactions is an important factor in your success. As your business grows, the number of transactions you'll have to deal with will drastically increase. It is essential that you ensure that the transaction process doesn't become too complex, or else you can deal with frustrated customers and the potential of losing them.

LITERATURE REVIEW

2.1. A business transaction is an interaction in the real world, usually between an enterprise and a person or another enterprise, where something is exchanged. For example, it could involve exchanging money, products, information, or service requests. Usually some bookkeeping is required to record what happened. Often this bookkeeping is done by a computer, for better scalability, reliability, and cost. Communications between the parties involved in the business transaction is often done over a computer network, such as the Internet. This is transaction processing (TP) — the processing of business transactions by computers connected by computer networks through a platform

2.2 Prominent Features

? A business transaction requires the execution of multiple operations. For example, consider the purchase of an item from an on-line catalog. One operation records the payment and another operation records the commitment to ship the item to the customer. It is easy to imagine a simple program that would do this work. However, when scalability, reliability, and cost enter the picture, things can quickly get very complicated.

- Transaction volume and database size adds complexity and undermines efficiency. We've all had the experience of being delayed because a sales person is waiting for a cash register terminal to respond or because it takes too long to download a web page. Yet companies want to serve their customers quickly and with the least cost.
- To scale up a system for high performance, transactions must execute concurrently. Uncontrolled concurrent transactions can generate wrong answers. At a rock concert, when dozens of operations are competing to reserve the same remaining seats, it's important that only one customer is assigned to each seat. Fairness is also an issue. For example, Amazon.com spent considerable effort to ensure that when its first thousand Xboxes went on sale, each of the 50,000 customers who were vying for an Xbox had a fair chance to get one.
- If a transaction runs, it must run in its entirety. In a retail sale, the item should either be exchanged for money or not sold at all. When failures occur, as they inevitably do, it's important to avoid partially completed work, such as accepting payment and not shipping the item, or vice versa. This would make the customer or the business very unhappy.
- Each transaction should either return an acknowledgment that it executed or return a negative acknowledgment that it did not execute. Those acknowledgments are important. If no acknowledgment arrives, the user doesn't know whether to resubmit a request to run the transaction again.
- The system should be incrementally scalable. When a business grows, it must increase its capacity for running transactions, preferably by making an incremental purchase — not by replacing its current machine by a bigger one or, worse yet, by rebuilding the application to handle the increased workload.
- When an electronic commerce (e-commerce) web site stops working, the retail enterprise is closed for business. Systems that run transactions are often "mission critical" to the business activity they support. They should hardly ever be down.

- Records of transactions, once completed, must be permanent and authoritative. This is often a legal requirement, as in financial transactions. Transactions must never be lost.
- The system must be able to operate well in a geographically distributed environment. Often, this implies that the system itself is distributed, with machines at multiple locations. Sometimes, this is due to a legal requirement that the system must operate in the country where the business is performed. Other times, distributed processing is used to meet technical requirements, such as efficiency, incremental scalability, and resistance to failures (using backup systems).
- The system should be able to personalize each user's on-line experience based on past usage patterns. For a retail customer, it should identify relevant discounts and advertisements and offer products customized to that user.
- The system must be able to scale up predictably and inexpensively to handle Internet loads of millions of potential users. There is no way to control how many users log in at the same time or which transactions they may choose to access.
- The system should be easy to manage. Otherwise, the system management staff required to operate a large-scale system can become too large and hence too costly. Complex system management also increases the chance of errors and hence downtime, which in turn causes human costs such as increased stress and unscheduled nighttime work.

In summary, transaction processing systems have to handle high volumes efficiently, avoid errors due to concurrent operation, avoid producing partial results, grow incrementally, avoid downtime, never lose results, offer geographical distribution, be customizable, scale up gracefully, and be easy to manage. It's a tall order. This book describes how it's done. It explains the underlying principles of automating business transactions, both for traditional businesses and over the Internet; explores the complexities of fundamental technologies, such as logging and locking; and surveys today's commercial transactional middleware products that provide features necessary for building TP applications.

2.3 Exploring Further

Sales and Inventory management: "A sales and inventory system is a software-based business solution used to simultaneously track sales activity and inventory," [Houston Chronicle](#).

"Manufacturers and trade resellers can both benefit from a thorough solution, where single transaction entry records necessary details on the customer, products purchased, price and date, while also updating inventory levels."

the point of sale by monitoring how certain items are performing, improving inventory control by automatically tracking where all inventory is at all times, centralizing customer management through databases, and cutting costs by reducing the time spent manually entering data. In some cases, these terms are used synonymously.

With sales and inventory systems like retail POS software, newfound efficiency has become accessible for businesses everywhere.

Capabilities of Sales & Inventory Software

The main goal of an extensive sales and inventory solution is to improve efficiency in recording for each transaction. Instead of maintaining separate record-keeping processes for the payment and inventory adjustment, you can manage each aspect with a single entry. And, as business is done more frequently on the go and shoppers are connecting with retailers via handheld devices more often, mobile technology is becoming indispensable for retailers.

Objective of ISM:

At the point of a sale, your business receives cash or allows payment on account in exchange for goods. This creates an inflow of cash or revenue and a corresponding outflow of product inventory. The primary objective of an extensive sales and inventory software solution is to optimize efficiency in recording each factor in the exchange. Historically, companies would have to complete separate record-keeping processes for the income and the inventory change. With this solution, each factor is coordinated with a single entry in the software.

Inventory-control system is the mechanism within a company that is used for efficient management of the movement and storage of goods and the related flow of information. Product resellers have access to technology-driven software programs that help optimize inventory control, which is critical in achieving business success. Getting product to customers on time and as inexpensively as possible are the main goals of an inventory-control system.

Avoid Stock-Outs

Making sure that your customers have access to products when they need or want them is a key service issue in inventory control. Your system should include a well-outlined replenishment system, where critical inventory levels at a store result in swift shipments from your distribution center or directly from a vendor. Given the time and effort put into promoting products to attract customer interest, you want inventory on hand when they come to buy.

Avoid Excess Inventory

Optimized inventory control actually balances a fine line between too much and too little. In fact, a main reason companies have gone to just-in-time systems and advanced software solutions is to avoid having excess inventory while trying to meet demand. Carrying too much inventory in distribution centers or retail stores is costly. It takes up space, employee time, utility costs and limits floor space for selling. Plus, perishable items or products with expiration dates must be thrown out if you can't sell them.

Move Goods Efficiently

Efficiency in inventory means the ability to quickly receive and store products as they come in and retrieve and ship when they go out. Every extra second spent in these processes adds to the costs of inventory management. Plus, efficient distribution is a customer satisfaction issue for trade channel sellers and retailers. Retailers expect suppliers to meet prescribed delivery timetables, and customers expect customized orders and products to arrive on time.

Maximize Profit Margins

Well-managed inventory control is often a key in meeting profit margin objectives. Gross profit margin is the difference between revenue earned from sales and the costs of goods sold. Take away fixed costs including buildings, utilities and labor and you get to operating margin. Investing as little as possible in inventory control while meeting the other objectives is critical in earning profit and growing your business.

Operations Handling

A huge benefit of transaction processing systems is their ability to handle several transactions at once. A good transaction processing system can simultaneously coordinate thousands of purchases, debit accounts, hold each person's private banking and address information, and even process customer orders. These systems allow your business to make the selling process much easier for your customers and there are even online transaction processing systems available for you to implement to make the online purchasing process simple for customers who love to shop and buy online. When looking for a transaction processing system that is right for your business, find one that matches the size and complexity you need to sustain your business processes. If your business is small, do not invest in a highly complex system that will make transaction processing more difficult and could ultimately lose your customers.

Compensating transactions

Commitment is an irrevocable action. Once a transaction is committed, it can no longer be aborted. People do make mistakes, of course. So it may turn out later that it was a mistake to have executed a transaction that committed. At this point, the only course of action is to run another transaction that reverses the effect of the one that committed. This is called a compensating transaction. For example, if a deposit transaction was in error, then one can later run a withdrawal transaction that reverses its effect.

Sometimes, a perfect compensation is impossible, because the transaction performed some irreversible act. For example, it may have caused a paint gun to spray-paint a part the wrong color, and the part is long gone from the paint gun's work area when the error is detected. In this case, the compensating transaction may be to record the error in a database and send an e-mail message to someone who can take appropriate action.

Virtually any transaction can be executed incorrectly. So a well-designed TP application should include a compensating transaction type for every type of transaction.

2.4 Multistep Business Process

Some business activities do not execute as a single transaction. For example, the activity of recording an order typically executes in a separate transaction from the one that processes the order. Since recording an order is relatively simple, the system can give excellent response time to the person who entered the order. The processing of the order usually requires several time-consuming activities that may require multiple transactions, such as checking the customer's credit, forwarding the order to a warehouse that has the requested goods in stock, and fulfilling the order by picking, packing, and shipping it.

Even though the business process executes as multiple transactions, the user may still want atomicity. Since multiple transactions are involved, this often requires compensating transactions. For example, if an order is accepted by the system in one transaction, but later on another transaction determines that the order can't be fulfilled, then a compensating transaction is needed to reverse the effect of the transaction that accepted the order. To avoid an unhappy customer, this often involves the universal compensating transaction, namely, an apology and a free gift certificate. It might also involve offering the customer a choice of either cancelling or telling the retailer to hold the order until the requested items have been restocked.

Transactional middleware can help manage the execution of multistep business processes. For example, it can keep track of the state of a multistep process, so if the process is unable to complete then the middleware can invoke compensating transactions for the steps that have already executed.

Consistency

A second property of transactions is consistency — a transaction program should maintain the consistency of the database. That is, if you execute the transaction all by itself on a database that's initially consistent, then when the transaction finishes executing the database is again consistent.

By consistent, we mean "internally consistent." In database terms, this means that the database at least satisfies all its integrity constraints. There are several kinds of integrity constraints that database systems can typically maintain:

- All primary key values are unique (e.g., no two employee records have the same employee number).
- The database has referential integrity, meaning that records reference only objects that exist (e.g., the Part record and Customer record that are referenced by an Order record really exist).
- Certain data values are in a particular range (e.g., age is less than 120 and social security number is not null).

There are other kinds of integrity constraints that database systems typically cannot maintain but may nevertheless be important, such as the following:

- The sum of expenses in each department is less than or equal to the department's budget.
- The salary of an employee is bounded by the salary range of the employee's job level.
- The salary of an employee cannot decrease unless the employee is demoted to a lower job level.

Ensuring that transactions maintain the consistency of the database is good programming practice. However, unlike atomicity, isolation, and durability, consistency is a responsibility shared between transaction programs and the TP system that executes those programs. That is, a TP system ensures that transactions are atomic, isolated, and durable, whether or not they are programmed to preserve consistency. Thus, strictly speaking, the ACID test for transaction systems is a bit too strong, because the TP system does its part for the C in ACID only by guaranteeing AID. It's the application programmer's responsibility to ensure the transaction program preserves consistency.

There are consistency issues that reach out past the TP system and into the physical world that the TP application describes. An example is the constraint that the number of physical items in inventory equals the number of items on the warehouse shelf. This constraint depends on actions in the physical world, such as correctly reporting the restocking and shipment of items in the warehouse. Ultimately, this is what the enterprise regards as consistency.

Isolation

The third property of a transaction is called isolation. We say that a set of transactions is isolated if the effect of the system running them is the same as if the system ran them one at a time. The technical definition of isolation is serializability. An execution is serializable (meaning isolated) if its effect is the same as running the transactions serially, one after the next, in sequence, with no overlap in executing any two of them. This has the same effect as running the transactions one at a time.

A classic example of a non-isolated execution is a banking system, where two transactions each try to withdraw the last \$100 in an account. If both transactions read the account balance before either of them updates it, then both transactions will determine there's enough money to satisfy their requests, and both will withdraw the last \$100. Clearly, this is the wrong result. Moreover, it isn't a serializable result. In a serial execution, only the first transaction to execute would be able to withdraw the last \$100. The second one would find an empty account.

Notice that isolation is different from atomicity. In the example, both transactions executed completely, so they were atomic. However, they were not isolated and therefore produced undesirable behavior.

If the execution is serializable, then from the point of view of an end-user who submits a request to run a transaction, the system looks like a standalone system that's running that transaction all by itself. Between the times he or she runs two transactions, other transactions from other users may run. But during the period that the system is processing that one user's transaction, the user has the illusion that the system is doing no other work. This is only an illusion. It's too inefficient for the system to actually run transactions serially, because there is a lot of internal parallelism in the system that must be exploited by running transactions concurrently.

If each transaction preserves consistency, then any serial execution (i.e., sequence) of such transactions preserves consistency. Since each serializable execution is equivalent to a serial execution, a serializable execution of the transactions will preserve database consistency too. It is the combination of transaction consistency and isolation that ensures that the execution of a set of transactions preserves database consistency.

The database typically sets locks on data accessed by each transaction. The effect of setting the locks is to make the execution appear to be serial. In fact, internally, the system is running transactions in parallel, but through this locking mechanism the system gives the illusion that the transactions are running serially, one after the next.

We will describe those mechanisms in more detail and present the rather subtle argument why locking actually produces serializable executions. A common misconception is that serialise isn't important because the database system will maintain consistency by enforcing integrity constraints. However, as we saw in the previous section on consistency, there are many consistency constraints that database systems can't enforce. Moreover, sometimes users don't tell the database system to enforce certain constraints because they degrade performance. The last line of defense is that the transaction program itself maintains consistency and that the system guarantees serialise.

Durability

The fourth property of a transaction is durability. Durability means that when a transaction completes executing, all its

updates are stored in stable storage; that is, storage that will survive the failure of power or the operating system. Today, stable storage (also called nonvolatile or persistent storage) typically consists of magnetic disk drives, though solid-state disks that use flash memory are making inroads as a viable alternative. Even if the transaction program fails, or the operating system fails, once the transaction has committed, its results are durably stored on stable storage and can be found there after the system recovers from the failure.

Durability is important because each transaction usually is providing a service to the user that amounts to a contract between the user and the enterprise that is providing the service. For example, if you're moving money from one account to another, once you get a reply from the transaction saying that it executed, you expect that the result is permanent. It's a legal agreement between the user and the system that the money has been moved between these two accounts. So it's essential that the transaction actually makes sure that the updates are stored on some stable storage device, to ensure that the updates cannot possibly be lost after the transaction finishes executing. Moreover, the durability of the result must be maintained for a long period, until it is explicitly overwritten or deleted by a later transaction. For example, even if a checking account is unused for several years, the owner expects to find her money there the next time she accesses it.

The durability property usually is obtained by having the TP system append a copy of all the transaction's updates to a log file while the transaction program is running. When the transaction program issues the commit operation, the system first ensures that all the records written to the log file are out on stable storage, and then returns to the transaction program, indicating that the transaction has indeed committed and that the results are durable. The updates may be written to the database right away, or they may be written a little later. However, if the system fails after the transaction commits and before the updates go to the database, then after the system recovers from the failure it must repair the database. To do this, it reads the log and checks that each update by a committed transaction actually made it to the database. If not, it reapplies the update to the database. When this recovery activity is complete, the system resumes normal operation. Thus, after the system recovers, any new transaction will read a database state that includes all the updates of transactions that committed before the failure (as well as those that committed after the recovery)

The software to be produced is on "Office Automation System". As the name suggests this is something related to the company or to the institution or office. Here there are mainly 2 users i.e. Admin and the employee. When Admin signs in, the welcome page is different and the welcome page is different for the employees. Admin provides username and password to the employee through which they can log in and use the system. He also has the right to add or modify the given username and password of the employee. The Admin also saves the complete employee details in the database. Admin has the security code while he signs in for the security purpose which will be known only to the Admin. Admin can assign tasks to the employee through the network based system. The notifications or the task assigned can be viewed by that particular employee to whom the task has been assigned when he signs in. Any complaint by the employee can be sent to the Admin.

The main objective of the application is to automate the existing system of manually maintain the records of the counter sales, purchases, reorder levels, Supplier and Customer monetary positions and other related transactions made at the counter.

Application functions :

Office management system provide functions for use in custom business applications, including functions to access Data, to perform inter computer communications, and to design and manage the user interface.

The services of a transaction processing system runtime environment include the following:

- Scheduling and load balancing. Controlling the rate and order in which tasks are processed to give higher-priority tasks the best response times and to Adapt to the availability of application servers and other system resources.
- Managing system resources. Maintaining a pool of operating system resources to be used for transaction processing, loading application programs, and acquiring and releasing storage.
- Monitoring. Monitoring the progress of tasks, suspending those waiting for input, adjusting task priorities, and

resolving problems.

- Managing data. Obtaining required data needed by tasks, coordinating resource managers (such as file servers and database managers), locking data for update, and logging changes.
- Managing communications. Monitoring communications with users and between servers and other systems, starting communications sessions as needed, managing data handling and
- Time management. Managing transaction processing in relation to the passage of time, starting tasks at predefined times, logging the date and time of events onto disk, and regularly controlling part of the business system to provide degrees of automation.

3.1 RESEARCH OBJECTIVES

The primary objectives of this research study are the following:

1. To explore the features of OMS
2. To define the Business Segment for OMS
3. To determine the Customer Preference regarding OMS software.
4. To determine the Sales Channel Planning
5. To propose the Marketing Plan or Product Design of Office Management System

3.2 RESEARCH HYPOTHESIS

H10: There is no significant association between software complexity of use and the final purchase.

H1a: There is a significant association between software complexity of use and the final purchase.

H20: There is no significant association between marketing advertisements and the final purchase.

H2a: There is a significant association between marketing advertisements and the final purchase.

4.1. Research Design

It is exploratory in nature and extent since it is related with the exploration of OMS features, its uses and advantages, and the determination of marketing plan or product design of OMS. The study will pertain to the companies and clients who use such Transaction Processing System in their business activities to manage the data and enable the processes.

4.2. Data Collection Technique

Data is collected through Primary Sources via questionnaire and web-based surveys under which information would be extracted out from the Business people engaged in Small and Micro Companies or startups.

4.3. Sampling

Stratified Random Sampling is followed to carry out the business research depending upon the responses provided by each business user in or outside his organization or industry.

The sample size of this study is 130 respondents.

4.4 Data Analysis Tools

MS-Excel & SPSS Statistics is used to interpret the responses and conducting statistical analysis of responses.

4.5 Limitations of the Research

1. All findings are based on the information provided by the respondents and may not contain true responses.
2. The scope of the study is restricted to the limited number of employees that could participate according to the convenience.
3. The research study is conducted in a given time frame.

CONCLUSION

According to the study, by embracing Transaction Processing System

- 46% companies said they have experienced reduced processing costs.
- 42% said it provides better visibility into the transaction life cycle.
- 50% said it improved approval cycles to take informed decision
- 44% said it increased on-time payments

The Importance of Getting Transaction Processing Right

Transaction processing jobs are generally the most critical ones runs by an organization.

• Rise of Mobile Wallet Use:

The adoption of mobile payment solutions has seen a tremendous growth in the last couple of years. Gartner, a leading technology research company shows that this trend will increase by an average of 35% annually by 2017, with more than 450 million mobile payment users globally. Hence, a significant amount of teamwork needs to be done between retailers, technical experts and electronic payments processors.

?

• Hybrid Systems:

With hybrid system, the end users is bound to receive cost-effective solutions whether in general transaction processing or complex database queries. It provides the ability to manage resources for the diverse applications as one logical entity.

• Documentation through Biometric Data:

As hackers or data are getting more refined in their work, use of biometric payments (fingerprint scanning and voice recognition) has become widespread with consumers. It offers a great deal of security because of their personalized nature.

• Inclusion of Retailer Reward Programs:

Many brands like to return love to their customers in the form of incentives or discounts through different robust rewards programs. For this, data will be collected on the basis of purchasing habits, whether people use debit or credit card processing services.

• Procuring third-party Support:

A third party services supplier ensures a single point of contact and eliminates the problems that usually occur when dealing with multiple service providers. Apart from serving high quality services, third party vendors reduce costs as much as 60% as compared to original equipment manufacturer.

SUGGESTIONS AND RECOMMENDATIONS

- As observed from the research, the scope and vastness of Office Management System should be expanded and enhanced in terms of the task and functions that can be operated, multitasking, data processing and transaction processing. With the expansion, we can tap the new market that involves large size companies pertaining to different industries such as retail, telecom, airlines etc.
- The research shows that the business clients and users are more inclined towards the direct personal sales and online sales in comparison to sales through indirect channels hence the company should be more oriented towards generating leads via direct channels.

- It would be profitable for the vendor/company of Office Management System if it is designed as per a particular company's needs and requirements as majority of clients prefer customized software to generalized software. To make the sales more effective, the clients can be offered a beta version of OMS which is generalized software before the actual purchase.

- One of the core focus should be towards an effective advertisement strategy as it majorly determines the actual purchase of the software product, specifically towards email advertising to attract prospective clients.

- The product design or software design should be in accordance with the ease of doing business as the clients consider the software's multitasking and task specificity in prior to the difficulty or complexity in use.

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IMPACT OF SOCIAL MEDIA ON YOUTH TOWARDS BUYING BEHAVIOR OF SMARTPHONES

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INTRODUCTION

Unified Payments Interface (UPI) is an instant real-time payment system developed by National Payments Corporation of India facilitating inter-bank transactions. The interface is regulated by the Reserve Bank of India and works by instantly transferring funds between two bank accounts on a mobile platform.

NPCI is a not-for-profit organization founded in 2008 registered under section 8 of the Companies Act 2013. The organization is owned by a consortium of major banks, and has been promoted by the country's central bank, the Reserve Bank of India. The NPCI was incorporated in December 2008 and the Certificate of Commencement of Business was issued in April 2009. The authorized capital has been pegged at ₹3 billion (US\$42 million) and paid-up capital is ₹1 billion (US\$14 million).

Services

Unified Payments Interface is a real time interbank payment system with send or request money. Any UPI client app may be used and multiple bank account may be linked to single app. Money can be sent or requested with following methods

? Virtual Payment Address (VPA): Send or request money from/to bank account mapped using VPA.

? Mobile number: Send or request money from/to bank account mapped using mobile number.

? Account number&IFSC: Send money to bank account.

? Aadhaar: Send money to bank account mapped using Aadhaar number.

? QR code: Send money by QR code which has enclosed VPA, Account number and IFSC or Mobile number.

Mobile Apps

Any UPI app can use payment and transfer fund from and to UPI enabled banks. Major UPI Apps listed below-

- | | | |
|------------------------------|-----------------------------|-----------------------|
| • PhonePe | • Paytm | • BHIM |
| • AirTel Money | • Google Pay | • MobiKwik |
| • Aditya Birla Payments Bank | • Allahabad Bank UPI | • Andhra Bank ONE |
| • Axis Pay | • BHIM IOB UPI | • BHIM LVB UPAAY |
| • Baroda Mpay | • Canara Bank UPI - Empower | • Citibank UPI |
| • Cent UPI | • DCB Bank | • Dena Bank E-UPI |
| • Digibank by DBS | • HDFC Bank MobileBanking | • HSBC SimplyPay App |
| • iMobile | • IDBI PayWiz | • IDFC Bank UPI App |
| • Indian Bank UPI | • Indus Pay | • KBL Smartz |
| • KVB Upay | • KayPay | • Lotza |
| • MAHAUPI | • OBCUPI PSP | • Pockets- ICICI Bank |
| • PNB UPI | • PSB UPI | • RBL Pay |
| • Samsung Pay | • SBI Pay | • SIB M-Pay |
| • Standard Chartered UPI | • Synd UPI | • TranZapp |
| • UCO UPI | • Union Bank UPI | • United UPI |

- Vijaya UPI

- Yes Pay

Supported banks

The Website of National Payments Corporation of India lists the banks that facilitate UPI. Banks here are termed as Payment Service Providers (PSP) and issuers. PSP includes those banks which have their own mobile application to facilitate transaction and issuers include banks which don't have their payments interface and rely on third party software for transaction using UPI. The list of PSPs and Issuers can be viewed here: UPI Live Members

- | | |
|----------------------------------------------|-----------------------------------------------------------|
| • Aditya Birla Payments Bank | • Airtel Payments Bank |
| • Allahabad Bank | • Andhra Bank |
| • Axis Bank | • Bank of Baroda |
| • Bank Of India | • Bank of Maharashtra |
| • Canara Bank | • Catholic Syrian Bank |
| • Central Bank of India | • City Union Bank |
| • Digi Bank by DBS | • DCB Bank |
| • Dena Bank | • Equitas Small Finance Bank |
| • Federal Bank | • FINO Payments Bank |
| • HDFC Bank | • HSBC Bank India |
| • ICICI Bank | • IDBI Bank |
| • Infrastructure Development Finance Company | • Indian Bank |
| • Indian Overseas Bank | • IndusInd Bank |
| • Jammu & Kashmir Bank | • Janta Sahakari Bank Pune |
| • Karnataka Bank | • Karur Vysya Bank |
| • Kotak Mahindra Bank | • Oriental Bank of Commerce |
| • Paytm Payments Bank | • Punjab & Sind Bank |
| • Punjab National Bank | • South Indian Bank |
| • Standard Chartered | • State Bank of India |
| • Syndicate Bank | • Lakshmi Vilas Bank |
| • RBL Bank | • Thane Janta Sahakari Bank |
| • UCO Bank | • Union Bank of India |
| • United Bank of India | • Vijaya Bank |
| • Yes Bank | • Bandhan Bank |
| • Dhanlaxmi Bank | • Corporation Bank |
| • G P Parsik Bank | • Kallappanna Awade Ichalkaranji Janata Sahakari Bank Ltd |
| • Rajkot Nagari Sahakari Bank Ltd | • Thane Bharat Sahakari Bank |
| • The Mehsana Urban Co-Operative Bank | • Saraswat Bank |
| • Allahabad UP Gramin Bank | • Andhra Pragathi Grameena Bank |
| • Andhra Pradesh Grameena Vikas Bank | • Apna Sahakari Bank |
| • Assam Gramin Vikash Bank | • Baroda Gujarat Gramin Bank |
| • Baroda Rajasthan Kshetriya Gramin Bank | • Bassein Catholic Coop Bank |
| • Bihar Gramin Bank | • Chaitanya Godavari Grameena Bank |
| • Chhattisgarh Rajya Gramin Bank | • Citibank India |
| • Dena Gujarat Gramin Bank | • Dombivali Nagrik Sahakari Bank |
| • Jalgaon Janata Sahkari Bank | • Jio Payments Bank |
| • Karnataka vikas Gramin Bank | • Kashi Gomti Samyut Gramin Bank |

- Kaveri Grameena Bank
- Langpi Dehangi Rural Bank
- Malwa Gramin Bank
- Meghalaya Rural Bank
- Pragathi Krishna Gramin Bank
- Punjab and Maharashtra Co. Bank
- Rajasthan Marudhara Gramin Bank
- Tamilnad Mercantile Bank
- The Gujarat State Co-operative Bank Limited
- The Kalyan Janta Sahkari Bank
- The SVC Co-Operative Bank Ltd
- The Cosmos Co-Operative Bank LTD
- Uttarakhand Gramin Bank
- Baroda Uttar Pradesh Gramin Bank
- The Surat People Cooperative bank
- The Urban Cooperative Bank Ltd Dharangaon
- Deutsche Bank
- India Post Payments Bank
- Kerala Gramin Bank
- Maharashtra Gramin Bank
- Manipur Rural Bank
- Mizoram Rural Bank
- Prathama Bank
- Purvanchal gramin Bank
- Saurashtra Gramin Bank
- Telangana Grameena Bank
- The Hasti Co-operative Bank Ltd
- The Mahanagar Co-Op. Bank Ltd
- The Vishweshwar Sahakari Bank Ltd
- Tripura Gramin Bank
- Vananchal Gramin Bank
- Samruddhi Co-op bank ltd
- The Sutex Cooperative Bank
- Sarva Haryana Gramin Bank
- Telangana State Co Operative Apex Bank

OBJECTIVE & RESEARCH METHODOLOGY

2.1 Literature review

- TAM Model:- Many models have been used in previous studies about consumers' behavior in using new technologies. Among of them, the TAM (Technology Acceptance Theories) emerged as the most influential model than the remaining models such as (TRA, TPB, UTAUT) (Davis et al. 1989). TAM model proposed two variables influencing consumers' intention to apply new tools; they are perceived ease of using and perceived usefulness. The two variables that TAM model proposed are also the leading factors to measure consumers' attitude toward new technologies; therefore, TAM should be considered as a useful model to study consumers' reactions and behaviors when a new product is launched.
- Compatibility For a new service as mobile payment, consumers' ability to integrate it into their shopping habits and daily lifestyle is an important element; it is one of the determinants of the success of mobile payment services (Teo & Pok, 2003). Compatibility is the combination of the values of innovation, the potential and available values; it is also the integration and effective operation of new technologies to enhance job performance (Lee et al. 2003). Compatibility is a factor relating to innovation adopted for mobile payment services, interoperability of mobile services with user needs and lifestyle, and ability to try out a new service; it raises the awareness of usefulness to customers when using the service (Ding et al, 2004 ; Mallat, 2004). In addition, customers' expectations about the possibility of completing the work easier make compatibility a considerable factor that affects the perceived ease of use (Tornatzky & Klein, 1982). Thus, we propose that compatibility affects perceived ease of use and usefulness of mobile payment services
- Early work from Ondrus et al. (2005) investigated mobile payments by using what they called a technology environment assessment framework. It combines three complementary perspectives: the market, the actors, and the issues.
 1. The market perspective examines ability to create and maintain a profitable relationship with consumers by providing a relevant value proposition that addresses consumers' needs.
 2. The actor perspective investigates the roles of the actors, the ecosystem structure, the economics and competitive conditions.
 3. The issues perspective deals with different uncertainties related to the future of mobile payments (e.g., physical

forms of devices, sizes of payments).

- Ondrus et al. (2005) explained how the perspectives are linked and why they should be studied simultaneously. In line with their suggestion, Ondrus and Pigneur later performed a number of multi perspective studies on the Swiss market (e.g., Ondrus and Pigneur, 2006a, 2006b).
- Zmijewska and Lawrence (2005) proposed an alternative multi-perspective framework, based on the work of Damsgaard and Gao (2005). This framework comprises a user adoption perspective (e.g., customer and merchant adoption) and an infrastructure perspective (e.g., stakeholder collaboration, regulation, business models) to analyze the success of mobile payments. Zmijewska and Lawrence claimed that both perspectives are equally important and depend strongly on each other, so they should be studied together.
- After 2007, the number of articles on mobile payment ecosystems has gradually increased. Dahlberg et al. (2008a) proposed a theoretical framework to understand why a dominant design did not emerge during 10 years of failed mobile payment initiatives by Finnish actors, who had chaired international standardization committees that made attempts to conquer the world in the wake of Nokia. Their framework was built on theories taken from standardization and market emergence research. Dahlberg et al. (2008a) claimed that multi-disciplinary and multi-level analyses provide more insights than single theory models. Hence, their framework on the emergence of mobile payment markets comprised institutional, key market actors, and economic, business and technology factors.
- Through the use of three existing frameworks, Ondrus et al. (2009) analyzed several Swiss initiatives that had failed. Moreover, to overcome the static nature of previous frameworks, Ondrus et al. (2009) proposed a dynamic model to cover various diffusion stages, which encompasses the notion of time and sequence. By doing so, their framework aimed to understand better why mobile payment platforms had failed and provide guidance for future architecture designs.
- Hedman and Henningsson (2012) studied how technological payment innovations influence payment ecosystems. They explained that digitalization of payments has caused ecosystem instability by impacting the competitive and collaborative dimensions of ecosystems. In other words, this digitalization creates a new arena for competition and requires new collaboration schemes between stakeholders.
- Kazan and Damsgaard (2013) constructed a framework to study digital payment systems and to analyze the strategies of current market actors. They analyzed three cases using the 11 multi-sided platform literatures. Factors such as network effects, homing and switching costs, and bundling and envelopment were considered to be essential for the creation of a viable payment platform. In a follow-up work, Kazan and Damsgaard (2014) proposed an updated version of the framework, which combines platform, technology, and business design aspects.
- Hedman and Henningsson (2015) proposed a multi-level framework, consisting of micro, meso, and macro levels, to depict cooperation strategies in mobile payment ecosystems. Their framework is grounded on market cooperation theories, technology ecosystem theory, and business ecosystems theory. To validate their framework, Hedman and Henningsson (2015) conducted a case study in Denmark. The conclusion was that "market cooperation strategy in mobile payment ecosystems can be understood as a balance between defensive and offensive technology-based strategies" (Hedman and Henningsson, 2015, p.12).
- A recent framework proposed by Staykova and Damsgaard (2015) aims to identify optimal entry and expansion strategies of digital payment platforms. According to them the ability to time entry and expansion decisions optimally is key factor in the success of a platform. If the timing is non-optimal, previously gained competitive advantage could be lost.

a. Rationale for the study -

The motivation behind this paper is to investigate the components affecting the client acknowledgment for portable installment among the new age. Furthermore, what is contrast exists between the view of advertiser and purchaser has a place with this fragment?

b. Objective Of the study-

- To know the conduct of client and shipper towards the utilization of M-payment Platforms.
- To know the new attitude of the client needs what they need from the marketer.

c. Scope of the Study-

This investigation may comprehend the different variables that drives customer to utilize portable installment and the organization can take a shot at that to enhance their procedure.

d. Research Methodology-

Research Design- Research design for this paper will be exploratory as well as causal. Firstly the topic will be explored & what are the key factors that impact will be identified then the relationship b/w those factors can be drawn/measured.

Target Audience- The target audience for the research will be the Delhi & Delhi NCR people who use mobile payment for their various purposes.

Sampling Technique- Convenience Sampling – The population is not known so convenience sampling will be good to get the response of consumer easily as well as it is time saving & cost also.

Sample Size- The sample size for this paper would be minimum 100.

Collection Instrument & Procedures- I cannot do the physical survey because I don't have so much time to complete this research so I will prefer to collect the data through online mode by making google form & will collect the quantitative data for my research which will save time & money & it's easy to collect the data through online mode.

Tools and techniques of Analyses of Data - The data analysis has been done using the MS Excel, SPSS Software and tests like Chi Square test is used for analysis and interpretation.

SPSS is a computer program used for survey authoring and deployment (IBM SPSS Data Collection), data mining, text analytics, statistics analytics. The program was helpful in conducting the chi square test.

e. Research Limitations-

The research is limited to Delhi & Delhi NCR people & the sample size is also small so this research can't be generalized to all.

Change in Consumer Buying Behavior due to change in Indian Retail Industry

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Introduction to Indian Retail Industry

The Indian retail sector is highly fragmented with 97% of its business being run by the unorganized retailers like the traditional family run stores and corner stores. The organized retail however is at a very nascent stage though attempts are being made to increase its proportion to 9-10% by the year 2010 bringing in a huge opportunity for prospective new players. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 10% of India's GDP.

A look at the statistics shows that the retail sector in India is worth USD 394 billion and is growing at the rate of 30% annually. An ICRIER study has found that retailing (\$180 billion) contributes to 10 per cent of GDP and employs 7 per cent (21 million) of the workforce. According to AT Kearney, India is given the top ranking as the next foreign investment destination, as markets like China become increasingly saturated. India is the 4th largest economy as regards GDP (in PPP terms) and is expected to rank 3rd by 2010 just behind US and China. Over the past few years, the retail sales in India are showering around 33-35% of GDP as compared to around 20% in the US. The table gives the picture of India's retail trade as compared to the US and China.

The last few years witnessed immense growth by this sector, the key drivers being changing consumer profile and demographics, increase in the number of international brands available in the Indian market, economic implications of the government increasing urbanization, credit availability, and improvement in the infrastructure, increasing investments in technology and real estate building a world class shopping environment for the consumers. In order to keep pace with the increasing demand, there has been a hectic activity in terms of entry of international labels, expansion plans, and focus on technology, operations and processes. This has lead to more complex relationships involving suppliers, third party distributors and retailers, which can be dealt with the help of an efficient supply chain. A proper supply chain will help meet the competition head-on, manage stock availability; supplier relations, new value-added services, cost cutting and most importantly reduce the wastage levels in fresh produce.

Large Indian players like Reliance, Ambanis, K Rahejas, Bharti AirTel, ITC and many others are making significant investments in this sector leading to emergence of big retailers who can bargain with suppliers to reap economies of scale. Hence, discounting is becoming an accepted practice. Proper infrastructure is a pre-requisite in retailing, which would help to modernize India and facilitate rapid economic growth. This would help in efficient delivery of goods and value-added services to the consumer making a higher contribution to the GDP.

International retailers see India as the last retailing frontier left as the China's retail sector is becoming saturated. However, the Indian Government restrictions on the FDI are creating ripples among the international players like Walmart, Tesco and many other retail giants struggling to enter Indian markets. As of now the government has allowed only 51% FDI in the sector to 'one-brand' shops like Nike, Reebok etc. However, other international players are taking alternative routes to enter the Indian retail market indirectly via strategic licensing agreement, franchisee agreement and cash and carry wholesale trading (since 100% FDI is allowed in wholesale trading).

How has the Indian consumer changed over the years?

In the past few years the whole concept of shopping has been altered in terms of format and consumer buying behavior. With the increasing urbanization, the Indian consumer is emerging as more trend-conscious. There has also been a shift from price considerations to designs and quality as there is a greater focus on looking and feeling

good (apparel as well as fitness). At the same time, the Indian consumer is not beguiled by retail products which are high on price but commensurately low on value or functionality. However, it can be said that the Indian consumer is a paradox, where the discount shopper loyalty takes a backseat over price discounts.

Indians have grown richer and thus spending more on vehicles, phones and eating out in restaurants. The spending is focused more outside the homes, unlike in other Asian countries where consumers have tended to spend more on personal items as they grow richer. Spending on luxury goods have increased twice as fast with 2/3 of India's population is under 35 years of age, consumer demand is clearly growing. The mall mania has brought in a whole new breed of modern retail formats across the country catering to every need of the value-seeking Indian consumer. An average Indian would see a mall as a perfect weekend getaway with family offering them entertainment, leisure, food, shopping all under one roof.

Indian consumer is also witnessing some changes in its demographics with a large working population being under the age group of 24-35, there has been an increasing number of nuclear families, increase in working women population and emerging opportunities in the service sector during the past few years which has been the key growth driver of the organized retail sector in India. The emergence of a larger middle and upper middle classes and the substantial increase in their disposable income has changed the nature of shopping in India from need based to lifestyle dictated. The self-employed segment has replaced the employed salaried segment as the mainstream market, thus resulting in an increasing consumption of productivity goods, especially mobile phones and 2 - 4 wheeler vehicles. There is also an easier acceptance of luxury and an increased willingness to experiment with the mainstream fashion, resulting in an increased willingness towards disposability and casting out from apparels to cars to mobile phones to consumer durables. Indians spend over USD 30,000 a year (in PPP terms) on conspicuous consumption that represents 2.8% of the entire population (which is approx 30 million people) making it the 4th largest economy in PPP terms next only to USA, Japan and China.

With reference to the map of India's income class, it can be noticed that the real driver of the Indian retail sector is the bottom 80% of the first layer and the upper half of the second layer of the income map. This segment of about 40 million households earns USD 4,000-10,000 per household and comprises salaried employees and self-employed professionals and is expected to grow to 65 million households by 2010. In addition to this, facilities like credit friendliness, availability of cheap finance and a drop in interest rates have changed consumer markets. Capital expenditure (jewelry, homes, and cars) has shifted to becoming redefined as consumer revenue expenditure, in addition to consumer durables and loan credit purchases.

FDI in retail:

Global retailers have already been sourcing from India; the opening up of the retail sector to the FDI has been fraught with political challenges. With politicians arguing that the global retailers will put thousands of small local players and fledging domestic chains out of business.

The only opening in the retail sector so far has been to allow 51% foreign stakes in single brand consumer stores, private labels, high tech items/ items requiring specialized after sales service, medical and diagnostic items and items sourced from Indian small sector (manufactured with technology provided by the foreign collaborations). Parties supporting the FDI suggest that the FDI in retail should be opened in a gradual/ phased manner, such that it can promote competition and contribute to the growth of the Indian economy. The impact of the FDI would benefit the end user of the consumer to a great extent and will help to generate a decent amount of employment as more and more entrepreneurs would be coming forward to invest and taste the new generation in retail marketing. The opening of FDI should be designed in such a way that many sectors - including agriculture, food processing, manufacturing, packaging and logistics would reap benefits. The table below lists the pros and cons of allowing FDI into retail.

Thus it can be said that this investment boom could change the face of Indian retail by offering quality goods at lower prices to the consumers. In addition to this, the presence of global retailers will further enhance exports from India as they would also source Indian goods for their international outlets in a big way leading to a remarkable increase in

Indian exports.

Segment analysis:

The structure of Indian retail is developing rapidly with shopping malls becoming increasingly common in the large cities and development plans being projected at 150 new shopping malls by 2008. However, the traditional formats like hawkers, grocers and tobacconist shops continue to co-exist with the modern formats of retailing. Modern retailing has helped the companies to increase the consumption of their products for example: Indian consumers would normally consume the rice sold at the nearby kiranas viz. Kolam for daily use. With the introduction of organized retail, it has been noticed that the sale of Basmati rice has gone up by four times than it was a few years back; as a superior quality rice (Basmati) is now available at almost the same price as the normal rice at a local kirana. Thus, the way a product is displayed and promoted influences its sales. If the consumption continues to grow this way it can be said that the local market would go through a metamorphoses of a change and the local stores would soon become the things of the past or restricted to last minute unplanned buying.

Food and grocery retail:

The food business in India is largely unorganized adding up to barely Rs. 40,000 crore, with other large players adding another 50% to that. The All India food consumption is close to Rs. 900,000 crore, with the total urban consumption being around Rs. 330,000 crore. This means that aggregate revenues of large food players is currently only 5% of the total Indian market, and around 15-20% of total urban food consumption. Most food is sold in the local 'wet' market, vendors, roadside push cart sellers or tiny kirana stores. According to McKinsey report, the share of an Indian household's spending on food is one of the highest in the world, with 48% of income being spent on food and beverages.

Apparel retail:

The ready-mades and western outfits are growing at 40-45% annually, as the market teems up with international brands and new entrants entering this segment creating an Rs.500 crore market for the premium grooming segment. The past few years has seen the sector aligning itself with global trends with retailing companies like Shoppers' stop and Crossroads entering the fray to entice the middle class. However, it is estimated that this segment would grow to Rs. 300 crore in the next three years.

Gems and Jewellery retail:

The gems and Jewellery market is the key emerging area, accounting for a high proportion of retail spends. India is the largest consumer of gold in the world with an estimated annual consumption of 1000 tones, considering actual imports and recycled gold. The market for jewellery is estimated as upwards of Rs. 65,000 crores.

Pharma retail:

The Pharma retailing is estimated at about Rs. 30,000 crore, with 15% of the 51 lakh retail stores in India being chemists. According to Vikas Bali, Principal, A.T. Kearney (India) Ltd, "Pharma retailing will follow the trend of becoming more organized and corporatized as is seen in other retailing formats (food, apparel etc.)". A few corporate who have already forayed into this segment include Dr Morepen (with Life spring and soon to be launched Tango), Medicine Shoppe, Apollo pharmacies, 98.4 from Global Health line Pvt. Ltd, and the recently launched CRS Health from SAK Industries. In the south, RPG group's Health & Glow is already in this category, though it is not a pure play Pharma retailer but more in the health and beauty care business

Music Retail:

Rs.1100 crore of which about 36 percent is consumed by the pirated market and organized The size of the Indian music industry, as per this Images-KSA Study, is estimated at music retailing constitutes about 14 percent,

equivalent to Rs.150 crore.

Book retail:

The book industry is estimated at over Rs. 3,000 crore out of which organized retail accounts for only 7% (at Rs.210 crore). This segment is seen to be emerging with text and curriculum books accounting to about 50% of the total sales.

The gifting habit in India is catching on fast with books enjoying a significant share, thus expecting this sector to grow by 15% annually.

Consumer Durables Retail:

The consumer durables market can be stratified into consumer electronics comprising of TV sets, audio systems, VCD players and others; and appliances like washing machines, microwave ovens, air conditioners (A/Cs). The existing size of this sector stands at an estimated USD 4.5 Billion with organized retailing being at 5%.

Industry Analysis of the Indian Retail Sector:

Modern retailing has entered India in form of sprawling malls and huge complexes offering shopping, entertainment, leisure to the consumer as the retailers experiment with a variety of formats, from discount stores to supermarkets to hypermarkets to specialty chains. However, kiranas still continue to score over modern formats primarily due to the convenience factor.

The organized segment typically comprises of a large number of retailers, greater enforcement of taxation mechanisms and better labour law monitoring system. It's no longer about just stocking and selling but about efficient supply chain management, developing vendor relationship quality customer service, efficient merchandising and timely promotional campaigns.

The modern retail formats are encouraging development of well-established and efficient supply chains in each segment ensuring efficient movement of goods from farms to kitchens, which will result in huge savings for the farmers as well as for the nation. The government also stands to gain through more efficient collection of tax revenues. Along with the modern retail formats, the non-store retailing channels are also witnessing action with HLL initiating Sangam Direct, a direct to home service. Network marketing has been growing quite fast and has a few large players today. Gas stations are seeing action in the form of convenience stores, ATMs, food courts and pharmacies appearing in many outlets.

In the coming years it can be said that the hypermarket route will emerge as the most preferred format for international retailers stepping into the country. At present, there are 50 hypermarkets operated by four to five large retailers spread across 67 cities catering to a population of half-a-million or more. Estimates indicate that this sector will have the potential to absorb many more hypermarkets in the next four to five years.

Traditionally, the small store (kirana) retailing has been one of the easiest ways to generate self-employment, as it requires minimum investments in terms of land, labour and capital. These stores are not affected by the modern retailing as it is still considered very convenient to shop. In order to keep pace with the modern formats, kiranas have now started providing more value-added services like stocking ready to cook vegetables and other fresh produce. They also provide services like credit, phone service, home delivery etc.

The organized retailing has helped in promoting several niche categories such as packaged fruit juices, hair creams, fabric bleaches, shower gels, depilatory products and convenience and health foods, which are generally not found in the local kirana stores. Looking at the vast opportunity in this sector, big players like Reliance and K Rahejas has announced its plans to become the country's largest modern retainers by establishing a chain of stores across all major cities. Apart from metro cities, several small towns like Nagpur, Nasik, Ahmedabad, Aurangabad, Sholapur, Kolhapur and Amravati as witnessing the expansion of modern retails. Small towns in Maharashtra are emerging as retail hubs for large chain stores like Pantaloon Retail because many small cities like Nagpur have a student

population, lower real estate costs, fewer power cuts and lower levels of attrition. However, retailers need to adjust their product mix for smaller cities, as they tend to be more conservative than the metros.

In order for the market to grow in modern retail, it is necessary that steps are taken for rewriting laws, restructuring the tax regime, accessing and developing new skills and investing significantly in India.

Business analysis of the Indian retail sector:

The size of modern retail is about US\$ 8 Billion and has grown by 35% CAGR in last five years. (KSA Technopak, June 2006). In modern retailing, a key strategic choice is the format; retailers are coming up with various innovative formats to provide an edge to retailers. Most attractive developing markets for retail by region according to AT Kearney Study: Percentage of markets that are 'on the radar' and 'to consider':

A look at the graph above shows that the Asian markets are considered attractive for retail as per the AT Kearney's report; India is being placed on the radar by the USA and UK. Global giants like Tesco and Wal-Mart are experimenting with various options to enter India. One possibility for Wal-Mart would be to open Sam's club wholesale business through a joint venture and sell strictly to other retailers. This strategy skirts the issue of not being able to sell directly to customers and establish a strong presence in the local market. On the other hand, Tesco is planning to get into a partnership with Home Care Retail Mart Pvt. Ltd expecting to open 50 stores by 2010. The government is taking gradual steps in allowing the FDI into Indian retail, when it takes the final steps the peak time will quickly pass giving the existing players a distinct edge.

Merger and acquisition activity:

India witnessed a record number of M&A deals in the first half of 2006, which were collectively worth USD 25.6 billion. A significant number of deals have been carried out in the Indian retail sector in the past few months in order to acquire a larger share in the growing domestic market and to compete against the prospective global and domestic players. The table below shows some recent deals that have taken place in the Indian retail sector:

Business models for entry in Indian markets:

Due to the FDI restrictions the international players are looking for alternative avenues to enter the Indian markets.

Employment Opportunities in this Sector:

The Indian retail sector offers an economic opportunity on a massive scale both as a global base and a domestic market. This sector yields many positive results like generating more jobs and bringing numerous goods to the consumers at reasonable prices. According to Ernst & Young's report 'The Great Indian Retail Story' this sector is expected to create 2 million jobs by 2010.

About 4 crore people are employed in retail trade, assuming each person supports a family of 5, this, implies that about 20 crore people are dependent on this sector. For a vast majority of the households, retailing is a euphemism for a marginal existence. Modern retail formats have generated huge employment for the young and even senior citizens and women wanting to work part-time (even in small towns). People have greater exposure to the technical aspects, training and also earn higher salaries along with bonuses and incentives. With foreign companies opening expanding in India, employees are being re-trained according to international standards and practices that are being brought in. There is also an increase in the number of retail management programmes and institutes. This will bridge the gap in availability of talented professionals at the middle and lower levels. Successful Indian retailers are creating a robust second and third level of management by hiring aggressively for these key roles. Talented professionals will put increased pressure on wage costs. Therefore operating margins, especially for mid-sized retailers, are becoming a poaching ground for international retailers once they enter India.

With private companies getting into retail, there are people employed from diverse cultures (no room for reservations unlike government owned stores) where there is a sense of unity in diversity. The companies are also employing people who are physically handicapped. The next few years are expected will see the sector offering new

jobs to 50,000 young graduates and diploma holders.

What makes foreign firms come to India?

A host of traditional 'brick and mortar' companies such as Tatas have entered the retail business. With demographic changes like rising disposable incomes and rapidly expanding middle class, the Indian retail sector is at an inflexion point where the growth in consumption and growth of organized retailing are taking it towards higher growth. Market liberalization and an increasingly assertive consumer population have attracted bigger Indian and multinational operations to make investments, but are yet to achieve success or reach break even.

The Indian consumption pattern and preference have undergone vast changes over the years allowing the foreign retailers to play with the psyche of the brand conscious modern Indian, who has no qualms spending a fortune on overhauling his wardrobe. This led to the entry of up-market brands like Nautica and New Balance into the country to cash in on this opportunity.

India has the youngest population in the world, with large population between 20-34 age groups in the urban regions boosting the demand. All these factors have tempted the foreign firms such as Wal-Mart, Tesco and Carrefour to enter India. India is now firmly placed on the US and UK radars as US retailers are gradually realizing the potential of the retail and consumer goods sector. The timing is the most important source of competitive advantage for global and regional retailers in the globalization race. Knowing when to enter emerging retail markets is the key to success.

AT Kearney's study on global retailing trends found that India is the least competitive as well as least saturated of all major global markets. This implies that there are significantly low entry barriers for players trying to setup base here, in terms of the competitive landscape. The report further stated that global retailers such as Wal-Mart, Carrefour, Tesco and Casino would take advantage of the more favorable FDI rules that are likely in India and enter the country through partnerships with local retailers. Other retailers such as Marks & Spencer and the Benetton Group, who operate through a franchisee model, would most likely switch to a hybrid ownership structure.

However, in order to achieve breakthrough growth the global retailers might have to face some glitches in India. High taxes, poor infrastructure, bureaucratic hurdles and high cost of real estate are some of the challenges that overseas retailers may have to tackle in the country.

IT and latest development:

Technology has played a key role in retailers' efforts to compete in this volatile market. With e-tailing channels making its presence felt in India companies are using either their own web portal or are tying up with horizontal players like Rediff.com and Indiatimes.com to offer their products on the web (www.alex.com). IT has been used by retailers ranging from Amazon.com to eBay, in order to radically change the buying behavior across the globe.

Retailers worldwide are looking forward to increase their IT spending by almost 15% in 2006, allocating almost half of this increase to application software with a particular focus on tools that facilitate multi-channel customer relationships, point of sale systems, strategic merchandising and supply chain management. The last 2-3 years have seen several retailers ranging from F&B operations to discount clothing implementing supply chain management (SCM) solutions to improve core business processes such as global sourcing, distribution, logistics, innovations, transparency and visibility in financials and inventory, compliance and management of point of sale (POS) data. However, organized retailers have not taken well to the concept of 3PL (third party logistics) due to their apprehensions of losing control over the supply chain. Currently, the transportation is carried out partly by organized service providers and partly by truckers and local transporters.

In conclusion, it can be said that in order to deliver the levels of quality and service that consumers are demanding; the organized retailers are in a pressing need for a single enterprise wide IT platform to manage operations, which will become increasingly complex once the market expands.

A look at the Rural Retailing:

More than half of retail market in India is in the rural areas (55%); although share of urban market is increasing by

almost 5% every 8-10 years. Accommodating almost two-third of the country's consumers and generating almost half of the national income, the rural India offers tremendous opportunities for organized retailers which many companies have failed to access. According to the study conducted by NCEAR, the number of 'lower middle income' group in rural areas is almost double as compared to the urban areas, having a large consuming class with 41% of the Indian middle class and 58% of the total disposable income.

A look at the demographics reveals that the highest income levels households in the rural areas are 1.6 million as compared to 2.3 million in urban areas. It has also been forecasted that the middle and the higher income households are expected to grow to 111 million from the current levels of 80 million. Thus, it can be said that with 128 million households, the rural population is nearly three times the urban. This vast demand base and size offers a huge opportunity that MNCs cannot afford to ignore.

In order to meet with this rapid growth in demand the government has shown its concern by providing an induction of Rs.140 billion and Rs. 300 billion in the rural sector through its development schemes in the Seventh and the Eight plan respectively. The large players like ITC, HLL, BPCL are realizing the potential of this sector and are seen experimenting with new ways to tap this segment.

ITC spent 3 years and Rs. 80 crore on R&D to come up with the concept of E-Choupal and Choupal Sagar-rural hypermarkets. Through this, the farmers can access latest local and global information on weather and market prices, scientific farming techniques at the village itself through a web-portal - all in Hindi. E-Choupal also facilitates supply of high quality inputs as well as purchase of commodities at their doorstep. The hypermarket (Choupal Sagar) provides them with another platform to sell their produce and purchase necessary farm and household goods under one roof.

Next in line, HLL came up with Project Shakti in late 2000 to sell its products through women self-help groups who operate like a direct-to-home team of sales women in inaccessible areas where HLL's conventional sales system does not reach. Another step to tap the rural market was 'Operation Bharat' wherein low-priced sample packets of toothpastes, fairness creams, Clinic Plus shampoos and Ponds face creams to 20mn households.

As a part of their rural strategy, BPCL introduced Rural Marketing Vehicles (RMVs) that move from village and village and filling cylinders on the spot for rural consumers keeping in mind the low-income of the rural population. The Company also introduced a smaller size cylinder to reduce both the initial deposit cost as well as the recurring refill cost.

Challenges faced by this sector:

- The industry is facing a severe shortage of talented professionals, especially at the middle-management level.
- Most Indian retail players are under serious pressure to make their supply chains more efficient in order to deliver the levels of quality and service that consumers are demanding. Long intermediation chains would increase the costs by 15%.
- Lack of adequate infrastructure with respect to roads, electricity, cold chains and ports has further led to the impediment of a pan-India network of suppliers. Due to these constraints, retail chains have to resort to multiple vendors for their requirements, thereby, raising costs and prices.
- The available talent pool does not back retail sector as the sector has only recently emerged from its nascent phase. Further, retailing is yet to become a preferred career option for most of India's educated class that has chosen sectors like IT, BPO and financial services.
- Even though the government is attempting to implement a uniform value-added tax across states, the system is currently plagued with differential tax rates for various states leading to increased costs and complexities in establishing an effective distribution network.
- Stringent labor laws govern the number of hours worked and minimum wages to be paid leading to limited flexibility of operations and employment of part-time employees. Further, multiple clearances are required by the same company for opening new outlets adding to the costs incurred and time taken to expand presence in the country.

The retail sector does not have 'industry' status yet making it difficult for retailers to raise finance from banks to fund their expansion plans.

- Government restrictions on the FDI are leading to an absence of foreign players resulting into limited exposure to best practices.
- Non-availability of government land and zonal restrictions has made it difficult to find a good real estate in terms of location and size. Also lack of clear ownership titles and high stamp duty has resulted in disorganized nature of transactions.

2. Literature Review

Definition of Consumer Buying Behavior (CBB):

Buying Behavior is the decision processes and acts of people involved in buying and using products.

Need to understand:

- Why consumers make the purchases that they make?
- What factors influence consumer purchases?
- The changing factors in our society.
- Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. A firm needs to analyze buying behavior for:
 - Buyer's reactions to a firm's marketing strategy has a great impact on the firm's success.
 - The marketing concept stresses that a firm should create a Market Mix(MM) that satisfies (gives utility to) customers, therefore need to analyze the what, where, when and how consumers buy.
 - Marketers can better predict how consumers will respond to marketing strategies.

Stages of the Consumer Buying Process

Six Stages to the Consumer Buying Decision Process (For complex decisions). Actual purchasing is only one stage of the process. Not all decision processes lead to a purchase. All consumer decisions do not always include all 6 stages, determined by the degree of complexity...discussed next.

The 6 stages are:

1. Problem Recognition (awareness of need): Difference between the desired state and the actual condition. Deficit in assortment of products. Hunger--Food. Hunger stimulates your need to eat. Can be stimulated by the marketer through product information--did not know you were deficient? I.E., see a commercial for a new pair of shoes, stimulates your recognition that you need a new pair of shoes.

2. Information search:

- Internal search, memory.
- External search if you need more information. Friends and relatives (word of mouth). Marketer dominated sources; comparison shopping; public sources etc.

A successful information search leaves a buyer with possible alternatives, the evoked set.

Hungry, want to go out and eat, evoked set is

- Chinese food
- Indian food
- burger king
- Klondike kates etc

3. Evaluation of Alternatives: need to establish criteria for evaluation, features the buyer wants or does not want. Rank/weight alternatives or resume search. May decide that you want to eat something spicy, Indian gets highest rank etc. If not satisfied with your choice then returns to the search phase. Can you think of another restaurant? Look in the yellow pages etc. Information from different sources may be treated differently. Marketers try to influence by "framing" alternatives.

4. Purchase decision: Choose buying alternative, includes product, package, store, method of purchase etc.

5. Purchase: May differ from decision, time lapse between 4 & 5, product availability.

6. Post-Purchase Evaluation: Satisfaction or Dissatisfaction. Cognitive Dissonance, have you made the right decision. This can be reduced by warranties, after sales communication etc. After eating an Indian meal, may think that really you wanted a Chinese meal instead.

Types of Consumer Buying Behavior:

- Level of Involvement in purchase decision. Importance and intensity of interest in a product in a particular situation.
- Buyer's level of involvement determines why he/she is motivated to seek information about a certain products and brands but virtually ignores others.

High involvement purchases--Honda Motorbike, high priced goods, products visible to others, and the higher the risk the higher the involvement. Types of risk:

- ? • Personal risk
- ? • Social risk
- ? • Economic risk

The four type of consumer buying behavior are:

- Routine Response/Programmed Behavior--buying low involvement frequently purchased low cost items; need very little search and decision effort; purchased almost automatically. Examples include soft drinks, snack foods, milk etc.
- Limited Decision Making--buying product occasionally. When you need to obtain information about unfamiliar brand in a familiar product category, perhaps. Requires a moderate amount of time for information gathering. Examples include Clothes--know product class but not the brand.
- Extensive Decision Making/Complex high involvement, unfamiliar, expensive and/or infrequently bought products. High degree of economic/performance/psychological risk. Examples include cars, homes, computers, education. Spend alot of time seeking information and deciding. Information from the companies MM; friends and relatives, store personnel etc. Go through all six stages of the buying process.
- Impulse buying, no conscious planning.

The purchase of the same product does not always elicit the same Buying Behavior. Product can shift from one category to the next. For example: Going out for dinner for one person may be extensive decision making (for someone that does not go out often at all), but limited decision making for someone else. The reason for the dinner, whether it is an anniversary celebration, or a meal with a couple of friends will also determine the extent of the decision making.

Factor that Effect the Consumer Buying Decision Process

A consumer, making a purchase decision will be affected by the following three factors:

1. Personal
2. Psychological
3. Social

The marketer must be aware of these factors in order to develop an appropriate MM for its target market.

Personal

Unique to a particular person. Demographic Factors.: Sex, Race, Age etc. Who in the family is responsible for the decision making? Young people purchase things for different reasons than older people.

Psychological factors:

Motives:

A motive is an internal energizing force that orients a person's activities toward satisfying a need or achieving a goal. Actions are effected by a set of motives, not just one. If marketers can identify motives then they can better develop a marketing mix.

MASLOW hierarchy of needs!!

- Physiological
- Safety
- Love and Belonging
- Esteem
- Self Actualization

Need to determine what level of the hierarchy the consumers are at to determine what motivates their purchases.

Nutrament, a product marketed by Bristol-Myers Squibb originally was targeted at consumers that needed to receive additional energy from their drinks after exercise etc., a fitness drink. It was therefore targeted at consumers whose needs were for either love and Belonging or esteem.

Perception:

What do you see?? Perception is the process of selecting, organizing and interpreting information inputs to produce meaning. IE we chose what info we pay attention to, organize it and interpret it. Information inputs are the sensations received through sight, taste, hearing, smell and touch.

Selective Exposure-select inputs to be exposed to our awareness. More likely if it is linked to an event, satisfies current needs, intensity of input changes (sharp price drop).

Selective Distortion-Changing/twisting current received information, inconsistent with beliefs.

Advertisers that use comparative advertisements (pitching one product against another), have to be very careful that consumers do not distort the facts and perceive that the advertisement was for the competitor. A current example...MCI and AT&T...do you ever get confused?

Selective Retention-Remember inputs that support beliefs, forgets those that don't. Average supermarket shopper is exposed to 17,000 products in a shopping visit lasting 30 minutes-60% of purchases are unplanned. Exposed to 1,500 advertisements per day. Can't be expected to be aware of all these inputs, and certainly will not retain many.

Interpreting information is based on what is already familiar, on knowledge that is stored in the memory.

Ability and Knowledge:

Need to understand individual's capacity to learn. Learning, changes in a person's behavior caused by information and experience. Therefore to change consumers' behavior about your product, need to give them new information re: product...free sample etc.

Inexperience buyers often use prices as an indicator of quality more than those who have knowledge of a product. Non-alcoholic Beer example: consumers chose the most expensive six-pack, because they assume that the greater price indicates greater quality.

Learning is the process through which a relatively permanent change in behavior results from the consequences of past behavior.

Attitudes:

Knowledge and positive and negative feelings about an object or activity-maybe tangible or intangible, living or non-living.....Drive perceptions

Individual learns attitudes through experience and interaction with other people. Consumer attitudes toward a firm

and its products greatly influence the success or failure of the firm's marketing strategy. Attitudes and attitude change are influenced by consumer's personality and lifestyle. Consumers screen information that conflicts with their attitudes. Distort information to make it consistent and selectively retain information that reinforces our attitudes. IE brand loyalty.

There is a difference between attitude and intention to buy (ability to buy).

Personality:

All the internal traits and behaviors that make a person unique, uniqueness arrives from a person's heredity and personal experience. Examples include:

- o Work holism
- o Compulsiveness
- o Self confidence
- o Friendliness
- o Adaptability

Traits affect the way people behave. Marketers try to match the store image to the perceived image of their customers.

There is a weak association between personality and Buying Behavior; this may be due to unreliable measures. Nike ads. Consumers buy products that are consistent with their self concept.

Lifestyles:

Recent US trends in lifestyles are a shift towards personal independence and individualism and a preference for a healthy, natural lifestyle.

Lifestyles are the consistent patterns people follow in their lives.

EXAMPLE:- healthy foods for a healthy lifestyle. Sun tan not considered fashionable in US until 1920's. Now an assault by the American Academy of Dermatology.

Social Factors

Consumer wants, learning, motives etc. are influenced by opinion leaders, person's family, reference groups, social class and culture.

Opinion leaders:

Marketers try to attract opinion leaders...they actually use (pay) spokespeople to market their products. Michael Jordan (Nike, McDonalds, Gatorade etc.)

Roles and Family Influences:

Role...things you should do based on the expectations of you from your position within a group. People have many roles. Husband, father, employer/ee. Individuals role are continuing to change therefore marketers must continue to update information.

Family is the most basic group a person belongs to. Marketers must understand:

- o That many family decisions are made by the family unit
- o Consumer behavior starts in the family unit
- o Family roles and preferences are the model for children's future family (can reject/alter/etc)
- o Family buying decisions are a mixture of family interactions and individual decision making
- o Family acts an interpreter of social and cultural values for the individual.

Reference Groups:

Individual identifies with the group to the extent that he takes on many of the values, attitudes or behaviors of the group members. Families, friends, sororities, civic and professional organizations. Any group that has a positive or

negative influence on a person's attitude and behavior. Affinity marketing is focused on the desires of consumers that belong to reference groups. Marketers get the groups to approve the product and communicate that approval to its members. Credit Cards etc.!!

Aspiration groups (want to belong to) Disassociate groups (do not want to belong to) Honda, tries to disassociate from the "biker" group.

The degree to which a reference group will affect a purchase decision depends on an individual's susceptibility to reference group influence and the strength of his/her involvement with the group.

Social Class:

An open group of individuals who have similar social rank. US are not a classless society. US criteria; occupation, education, income, wealth, race, ethnic groups and possessions.

Social class influences many aspects of our lives. IE upper middle class Americans prefer luxury cars Mercedes.

o Upper Americans-upper-upper class, .3%, inherited wealth, aristocratic names.

o Lower-upper class, 1.2%, newer social elite, from current professionals and corporate elite

o Upper-middle class, 12.5%, college graduates, managers and professionals

o Middle Americans-middle class, 32%, average pay white collar workers and blue collar friends

o Working class, 38%, average pay blue collar workers

o Lower Americans-lower class, 9%, working, not on welfare

o Lower-lower class, 7%, on welfare

Social class determines to some extent, the types, quality, and quantity of products that a person buys or uses.

Lower class people tend to stay close to home when shopping; do not engage in much prepurchase information gathering. Stores project definite class images. Family, reference groups and social classes are all social influences on consumer behavior. All operate within a larger culture.

Culture and Sub-culture:

Culture refers to the set of values, ideas, and attitudes that are accepted by a homogenous group of people and transmitted to the next generation. Culture also determines what is acceptable with product advertising. Culture determines what people wear, eat, reside and travel. Cultural values in the US are good health, education, individualism and freedom. In American culture time scarcity is a growing problem. IE change in meals. Big impact on international.

Culture can be divided into subcultures:

- Geographic regions
- Human characteristics such as age and ethnic background.

Culture affects what people buy, how they buy and when they buy.

Understanding Consumer Buying Behavior offers consumers greater satisfaction (Utility). We must assume that the every company has adopted the Marketing Concept and are consumer oriented.

3. RESEARCH METHODOLOGY

THE PROJECT:

The project deals with the change in consumer buying behavior due to change in Indian Retail Industry. Moreover this project is undertaken with a view to understand the changing retail industry and its impact on consumer buying behavior.

SCOPE OF THE STUDY

The study would encompass various aspects like:

- The consumer buying behavior with regard to the change in Indian Retail Industry.
- The prevailing trends in Indian Retail Industry.
- To find out what parameters, a consumer takes into consideration for selecting a Retail Outlet.

RESEARCH OBJECTIVES

This research report focuses on the study the change in Consumers' Buying Behavior due to the change in Indian retail Industry.

Primary Objective:-

? To analysis and find out the on change in consumer buying behaviour due to change in Indian Retail Industry

Secondary Objective:-

? To know the factors affecting the Retailing chains in India.

? To know the factors which are considered by the consumer while shopping in a retail outlet

Secondary Data Collection:

In the beginning the data has been collected randomly from all the sources. This data has been collected from surveys conducted through circulating the questionnaire, Newspaper, Magazines, ICFAI journal of Management Research and various other books and from Internet.

Then data has been compiled, studied and analyzed. The authenticity of the data collected has been cross checked by collecting the same data from the various sources. Moreover, most of the data has been collected from the reliable sources.

A detailed analyses of the data collected has been done with the help of Microsoft excel and result of analysis is shown in the form of table's, charts & graphs.

At the end findings and result of the analysis has been discussed.

Primary Data Collection:

Primary data has been collected by using questionnaire. The methodology used is given below:

Data Collection Methodology:

- Sampling Frame: Customers visiting retail stores.
- Sampling Unit: Respondents visiting retail stores.
- Sampling Size: 300 customers.
- Sampling Type: Convenience sampling.

Scope of Research:

This study is bound to the following services in retailing:

- ? • Conventional stores • Super market • Hypermarkets

LIMITATIONS:

In the entire course of the project, data was collected and interpreted with utmost reliability and consistency. But due to subjectivity and prejudice of a few respondents, certain limitations were faced, which are:

- Answers of the questionnaire depend upon the belief of customers, which may differ from reality.
- The survey is conducted considering the time constraints.
- The sample size during this time period may not be adequate.
- A chance of wrong answer may not be ruled out.
- Some respondents were reluctant to give answers.
- Small sample size chosen can not represent the whole population.

INNOVATION LED TO THE GROWTH OF AUTOMOBILE COMPANY IN DELHI/NCR

Jatandeep Singh, Student GLBIMR

Abstract

The "Innovation led to the growth of automobile industry in Delhi/NCR" presents the study and market research of various automobiles companies and its customer feedback about them. In this project various customer two-wheeler customers were personally approached to discuss the on-road performance of the two-wheeler and their preferred bike company. On the basis of various parameters, the satisfaction level of customer was measured. And then various innovative techniques were discussed which led to the growth of automobile company in Delhi/NCR. These Innovative techniques were discussed with reference to the Hero-Honda and Bajaj.

On the basis of Marketing Mix, Pest Analysis, SWOT analysis & BCG matrix the product positioning of the Bajaj and Hero-Honda is analyzed in this project. Various innovative techniques like organizing MTV Roadies, Passport program, new technologies & techniques of branding were also discussed in this project.

A questionnaire was prepared and customers were selected to measure the performance rating of their bikes. And then on the basis of the response from the customer the data was analyzed. And SPSS software is used to efficiently measure the correlation between the various factors.

Key words: Innovation, automobiles companies, Marketing Mix

LITERATURE REVIEW

Need and expectations of customer is changing regularly. Therefore, a company needs to understand the need of its customer and to design the product as per the expectations of its customers. There are various automobiles companies in the world market which are providing good quality products to its customers. Therefore, to promote the sales of the products and to increase the market share the automobile company are using various marketing techniques so as to increase their overall profitability. There are various marketing techniques which a company implements so as to increase its market share.

Marketing Mix provides the basic marketing techniques, which is basically used to produce a new segment in the existing markets. Marketing Mix consists of basically four factors: -

- Price
- Product
- Promotion
- Place

Indian market is considered to be a very price sensitive market. And the automobiles companies prefer to do a proper market research before launching any product in the Indian Market.

In Auto Expo 2008, Ratan TATA has announced the launch of its TATA 1 lakh car. And this is the world cheapest car, which has ever been designed and manufactured by any automobile company. In an interview given to ECONOMIC TIMES as on 11 January 2008 Ratan Tata says that "I think I would rather not look at it geographically. I would say: who might be the buyer of this small car? Let's start at the top. If I were to look in the United States or in Europe, in some of the garages you would have a Bentley or two Bentleys' or a high-end Mercedes, and you may find a Smart also in that same garage because that person thinks it's a fun extra car to have. He may have four cars, but also have a Smart because he thinks it is cute. Doesn't need it, but he may have it. Then you may have a person who needs a utilitarian form of transport. He is not looking for a lot of creature comforts; he wants to get around in a sensible way. Then you think of a person who is perhaps thinking of or owns an existing small car. And to him it makes sense to get it because it is more fuel efficient or its lower cost or whatever it may be. And then on the other side you have

someone who aspires for a car which is beyond his reach. He doesn't have a car or he has a two-wheeler or a three wheeler and this fills his needs. And then, this can come from anywhere in the country."

So basically, the main aim behind pricing is to produce a different segment and to analyze the expectation of the customers.

The product aspects of marketing deal with the specifications of the actual goods or services, and how it relates to the end-user's needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support.

Kotler suggest that a product should be viewed on the basis of: -

- Core product
- Actual product
- And augmented product

As per Kotler theory, while placing a product in the market a company consider the its quality, design, features and branding.

Promotion includes advertising, sales promotion, publicity, and personal selling, branding and refers to the various methods of promoting the product, brand, or company. Marketing theory distinguishes between two main kinds of promotional strategy - "push" and "pull".

Push

A "push" promotional strategy makes use of a company's sales force and trade promotion activities to create consumer demand for a product. The producer promotes the product to wholesalers, the wholesalers promote it to retailers, and the retailers promote it to consumers. A good example of "push" selling is mobile phones, where the major handset manufacturers such as Nokia promote their products via retailers such as Carphone Warehouse. Personal selling and trade promotions are often the most effective promotional tools for companies such as Nokia - for example offering subsidies on the handsets to encourage retailers to sell higher volumes. A "push" strategy tries to sell directly to the consumer, bypassing other distribution channels (e.g. selling insurance or holidays directly). With this type of strategy, consumer promotions and advertising are the most likely promotional tools.

Pull

A "pull" selling strategy is one that requires high spending on advertising and consumer promotion to build up consumer demand for a product. If the strategy is successful, consumers will ask their retailers for the product, the retailers will ask the wholesalers, and the wholesalers will ask the producers.

A good example of a pull is the heavy advertising and promotion of children's' toys – mainly on television. Consider the recent BBC promotional campaign for its new pre-school programme – the Fimbles.

Aimed at two to four-year-olds, 130 episodes of Fimbles have been made and are featured everyday on digital children's channel CBeebies and BBC2. As part of the promotional campaign, the BBC has agreed a deal with toy maker Fisher-Price to market products based on the show, which it hopes will emulate the popularity of the Tweenies. Under the terms of the deal, Fisher-Price will develop, manufacture and distribute a range of Fimbles products including soft, plastic and electronic learning toys for the UK and Ireland. In 2001, BBC Worldwide (the commercial division of the BBC) achieved sales of £90m from its children's brands and properties last year. The demand created from broadcasting of the Fimbles and a major advertising campaign is likely to "pull" demand from children and encourage retailers to stock Fimbles toys in the stores for Christmas 2002.

Place Strategy is the element of a firm's decision-making concerned with developing an efficient and effective means of storing and handling finished products and of getting them efficiently to the target market.

In automobiles industry companies need to do proper analysis before launching any product in the market. And place plays a very important role in it.

AUTOMOBILE INDUSTRY IN INDIA: AN OVERVIEW

The automobile industry in India is the eleventh largest in the world with an annual production of approximately 2 million units. India is expected to overtake China as the world's fastest growing car market in terms of the number of units sold

and the automotive industry is one of the fastest growing manufacturing sectors in India. Because of its large market (India has a population of 1.1 billion; the second largest in the world), a low base of car ownership (7 per 1,000 people) and a surging economy, India has become a huge attraction for car manufacturers around the world. Though several major foreign automakers, like Ford, GM and Honda, have their manufacturing bases in India, Indian automobile market is dominated by domestic companies. Maruti Suzuki is the largest passenger vehicle company, Tata Motors is the largest commercial vehicle company while Hero Honda is the largest motorcycle company in India. Other major Indian automobile manufacturers include Mahindra & Mahindra, Ashok Leyland and Bajaj Auto. The automotive industry directly and indirectly employs 13 million individuals in India. The industry is valued at about US\$ 35 billion contributing about 3.1% of India's GDP (nominal). India's cost-competitive auto components industry is the second largest in the world. In addition, India's motorcycle market is also the second largest in the world with annual sales of about 5 million units.

INDUSTRY STRUCTURE

The Indian two-wheelers Industry can be broadly classified as scooters, motorcycles and mopeds. The domestic two-wheeler sales of 6.2mn in FY05 is constituted, In the last five years, the domestic two-wheeler industry has seen structural changes. This can be seen from the change in composition of two-wheeler sales, where the motorcycles have consistently gained market share from the scooter and moped segments to corner a share of 41% of total two-wheeler sales. This trend is expected to continue in the next two years till the four-stroke scooters make their presence felt in the segment.

The scooter market is dominated by 150cc vehicles from Bajaj Auto and LML, with the rest being served by 100cc variometric scooters from Kinetic Honda.

For scooters, northern India is the major market contributing nearly 46% of the total scooter sales. Western and southern India take up second and third position with 27.5% and 15.7% respectively.

For our calculations we consider TVS Scooty sales as part of scooter sales as given by Society of Indian Automobile Manufacturers (SIAM).

The Indian motorcycle industry can be broadly categorized in to Indian motorcycles and Indo-Japanese motorcycles. The Indo-Japanese motorcycle segment is dominated by Hero group, Bajaj and Escorts in collaboration with Japanese vehicle manufacturers Honda, Kawasaki and Yamaha respectively. The Indian motorcycles segment is dominated by Bajaj (M80), Escorts and Royal Enfield.

In motorcycles sales, western region leads with a market share of 40% of the total motorcycle sales. South and north regions come second and third with a market share of 27.5% and 17.4% of total motorcycle sales respectively. Western and southern region lead in three-wheeler sales with a contribution of 42% and 35.8% of total three-wheeler sales respectively.

In terms of two-wheeler vehicle population, Maharashtra stands first with a population of 2.96mn vehicles and Gujarat stands second with 2.64mn vehicles as on March 31st 1997. Tamil Nadu is the third largest state with 2.45mn two-wheeler population. In terms of three-wheeler vehicle population Maharashtra stands first with a population of 0.39mn and Gujarat in the second place with 0.22mn as on March 31st 1997.

Penetration of Two-Wheelers

On a base of around 28mn vehicles on Indian roads and around 175mn households, there were only 160 motorized two-wheelers per thousand households in FY03. This compares poorly with countries like Thailand where it is around 600 per thousand households. Also with a household size of 5.5 persons and more than one wage earner in about 60% of the households, the potential for a second vehicle demand is also good.

The NCAER in its latest report on market demographics has clearly indicated that post-liberalization (ie FY92 to FY96) Indian households have graduated to higher income groups as can be seen in the table below. The number of households in the low income group has fallen since FY86 and has been more pronounced in the post-reform period. On the other hand, the number of households in the middle, upper middle and high income groups, which

form the consumer base for two wheelers, have increased. Their share of the total number of households has increased from 10.6% in FY88 to 20.5% in FY96. The rising income profile has, however, been more pronounced in the urban areas as average annual growth in India.

Demand

The Indian two-wheeler industry has witnessed deep cyclical trends. A robust growth witnessed upto 1989, was followed by a severe recession upto FY93 and a strong recovery between 1993-96. The industry then witnessed a slowdown since the second half of FY97 which continued upto FY99. Prospects in FY2000 have turned for the better once again with an overall revival in demand. Two-wheeler sales have increased from 0.37mn in FY80 to 1.85mn in FY90 at a CAGR of 17.4%. There after the industry suffered from drop in demand in 1991, 1992 and 1993.

In the 90's, the two-wheeler industry has performed extremely well especially after the automobile recession in 1992-93. In the period FY93-FY99 the two-wheeler industry has grown at a CAGR of 14.6%. This splendid growth was possible due to the above average performance of the motorcycle segment, which has grown at a CAGR of 24.3% compared to 11% for scooters and 8.6% for mopeds.

After lying low for two years, sales of two-wheelers bounced back to witness growth in FY99. In the period 01 the sales of two-wheelers has increased by 11.85% yoy to 3.4mn. The trend has continued in FY2004 with the sector sales growing by 11% to 3.78mn vehicles. In the 2004-05 sale of two wheeler in percentage of share is 78.63.

The demand for two-wheelers in India is dependent upon factors like availability of finance, increase in income levels, restricted growth in public transportation and movement in petrol prices. Except petrol prices, all other factors have positive correlation with the demand for two-wheelers.

Two-wheelers are distinguished on different factors for different consumer segments. For eg, high powered two-wheelers have a niche market as racing/sporting vehicles and have a special appeal to youngsters. Easy maneuverability/handling ease is preferred by teenagers and women. Urbanites are lured by fuel efficiency and low maintenance. The lower end of the market looks for durability, value for money and higher resale value.

INTERNATIONAL SCENARIO

A two-wheeler is used as a personal/family vehicle or a goods carrier in the developing countries, whereas it is confined to sports/racing (heavy motorcycles) or short distance shopping (mopeds) in developed countries. The world two-wheeler market is dominated by Japan. Japanese manufacturers account for around 65% of the total two-wheeler production in the world. However, production within Japan has been declining due to lower domestic demand and shift in manufacturing base outside the country. Japan is also the world's largest exporter of two-wheelers in the world controlling around 75% of the world trade. Its major markets are China, USA and Europe. In terms of player positions, Honda Motors Corporation, Yamaha Motors and Suzuki Motors corporation share the top three slots in the world two-wheeler market.

MARKETING MIX

These four Ps are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response.

PRICE

The price is the amount a customer pays for the product. The business may increase or decrease the price of product if other stores have the same product.

Premium Pricing.

Use a high price where there is a uniqueness about the product or service. This approach is used where a substantial competitive advantage exists.

Penetration Pricing.

The price charged for products and services is set artificially low in order to gain market share. Once this is achieved, the

price is increased. This approach was used by France Telecom and Sky TV.

Economy Pricing.

This is a no-frills low price. The cost of marketing and manufacture are kept at a minimum. Supermarkets often have economy brands for soups, spaghetti, etc.

Price Skimming.

Charge a high price because you have a substantial competitive advantage. However, the advantage is not sustainable. The high price tends to attract new competitors into the market, and the price inevitably falls due to increased supply. Manufacturers of digital watches used a skimming approach in the 1970s. Once other manufacturers were tempted into the market and the watches were produced at a lower unit cost, other marketing strategies and pricing approaches are implemented. Premium pricing, penetration pricing, economy pricing, and price skimming are the four main pricing policies/strategies. They form the bases for the exercise. However, there are other important approaches to pricing.

Psychological Pricing.

This approach is used when the marketer wants the consumer to respond on an emotional, rather than rational basis. For example 'price point perspective' 99 cents not one dollar.

Product Line Pricing.

Where there is a range of product or services the pricing reflects the benefits of parts of the range. For example, car washes. Basic wash could be \$2, wash and wax \$4, and the whole package \$6.

Optional Product Pricing.

Companies will attempt to increase the amount customer spend once they start to buy. Optional 'extras' increase the overall price of the product or service.

Captive Product Pricing

Where products have complements, companies will charge a premium price where the consumer is captured.

Product Bundle Pricing.

Here sellers combine several products in the same package. This also serves to move old stock.

Promotional Pricing.

Pricing to promote a product is a very common application. There are many examples of promotional pricing including approaches such as BOGOF (Buy One Get One Free).

Geographical Pricing.

Geographical pricing is evident where there are variations in price in different parts of the world.

Value Pricing.

This approach is used where external factors such as recession or increased competition force companies to provide 'value' products and services to retain sales.

Hero Honda adopt a highly systematized and efficient penetration strategy. Accordingly, products can, in keeping with the demands of the marketing climate at large that it operates in, be brought down to low prices. But as the present state of its brand as well as its consistently healthy performance shows the company has not been compelled to adopt this strategy with a view to securing the largest market share. This strategy holds importance only when the product can be put under the fabric 'price-sensitive', there appears to be considerable scope for strong competition, and the company's unit manufacturing costs go down within the company's scale of production and accumulated manufacturing experience.

The prices of Hero Honda are quite high in comparison to the prices of products of other companies, i.e. CBZ and Passion, its products 62,000 and 45,000 respectively. It is because of the high quality of its products that the company has not only maintained but enhanced its sale in spite of high prices of its products.

Now the brand name of Hero Honda is well established in the market, and this adds another dimension to the booming success of its products.

Bajaj Auto adopted a rapid penetration strategy. This strategy consists of launching the product at a low price and promises to bring about the fastest market penetration and the largest market share. This strategy makes sense when the product is price-sensitive, there is strong potential competition, and the company's unit manufacturing costs fall within the company's scale of production and accumulated manufacturing experience.

The prices of Bajaj Auto products like Chetak and Calibre are quite low in comparison to the prices of other market players of the products of cost. So, Bajaj Chetak and Calibre Rs. 23,930 and Rs. 44,000 respectively but the market is not picking up as expected even when the prices of Bajaj products are less than those of Hero Honda, its biggest competitors.

Bajaj Auto with its lower price wanted to capture the market by making its product available at maximum number of outlets at possible.

As the brand name of Bajaj Auto is well established in the market, the launch of two-wheelers by the name of Bajaj Chetak and Bajaj Calibre as well as keeping the prices low, it was aimed to target to the maximum level of people, especially the people who are very much price sensitive.

Bajaj Auto follows differentiation pricing route. Differentiated pricing is one in which companies charge different prices for the same product in different zones/areas of the market. Sometimes the differentiation in pricing is made on the basis of customer class rather than market territory differentiation.

PLACE

There are six basic 'channel' decisions:

- Do we use direct or indirect channels? (e.g. 'direct' to a consumer, 'indirect' via a wholesaler).
- Single or multiple channels.
- Cumulative length of the multiple channels.
- Types of intermediary (see later).
- Number of intermediaries at each level (e.g. how many retailers in Southern Spain).
- Which companies as intermediaries to avoid 'intrachannel conflict' (i.e. infighting between local distributors).

Selection Consideration - how do we decide upon a distributor?

- Market segment - the distributor must be familiar with your target consumer and segment.
- Changes during the product life cycle - different channels can be exploited at different points in the PLC e.g. Foldaway scooters are now available everywhere. Once they were sold via a few specific stores.
- Producer - distributor fit - Is there a match between their policies, strategies, image, and yours? Look for 'synergy'.
- Qualification assessment - establish the experience and track record of your intermediary.
- How much training and support will your distributor require?

Types of Channel Intermediaries.

There are many types of intermediaries such as wholesalers, agents, retailers, the Internet, overseas distributors, direct marketing (from manufacturer to user without an intermediary), and many others. The main modes of distribution will be looked at in more detail.

1. Channel Intermediaries - Wholesalers

- They break down 'bulk' into smaller packages for resale by a retailer.
- They buy from producers and resell to retailers. They take ownership or 'title' to goods whereas agents do not (see below).
- They provide storage facilities. For example, cheese manufacturers seldom wait for their product to mature. They sell on to a wholesaler that will store it and eventually resell to a retailer.
- Wholesalers offer reduce the physical contact cost between the producer and consumer e.g. customer service

costs, or sales force costs.

- A wholesaler will often take on some of the marketing responsibilities. Many produce their own brochures and use their own telesales operations.

2. Channel Intermediaries - Agents

- Agents are mainly used in international markets.
- An agent will typically secure an order for a producer and will take a commission. They do not tend to take title to the goods. This means that capital is not tied up in goods. However, a 'stockist agent' will hold consignment stock (i.e. will store the stock, but the title will remain with the producer. This approach is used where goods need to get into a market soon after the order is placed e.g. foodstuffs).
- Agents can be very expensive to train. They are difficult to keep control of due to the physical distances involved. They are difficult to motivate.

3. Channel Intermediaries - Retailers

- Retailers will have a much stronger personal relationship with the consumer.
- The retailer will hold several other brands and products. A consumer will expect to be exposed to many products.
- Retailers will often offer credit to the customer e.g. electrical wholesalers, or travel agents.
- Products and services are promoted and merchandised by the retailer.
- The retailer will give the final selling price to the product.
- Retailers often have a strong 'brand' themselves e.g. Ross and Wall-Mart in the USA, and Alisuper, Modelo, and Jumbo in Portugal.

4. Channel Intermediaries - Internet

- The Internet has a geographically dispersed market.
- The main benefit of the Internet is that niche products reach a wider audience e.g. Scottish Salmon direct from an Inverness fishery.
- There are low barriers to entry as set up costs are low.
- Use e-commerce technology (for payment, shopping software, etc)
- There is a paradigm shift in commerce and consumption which benefits distribution via the Internet

Hero Honda stands out as one of the most reputed names in the two-wheeler industry. With its newly launched brands such as CBZ and Passion, as well as its ever soaring sales, the company has earned an enormously vast niche for itself in the Indian market.

The basic strategy of this company rests on its skilled, all-pervasive distribution network spread out in every corner of the country. It has short rooms in almost all the big and small cities over the landscape of India.

Like Bajaj Auto, its products have got a considerable grasp over the grassroots. However, in spite of the fact that it is a comparatively new player in the booming oligopolistic two-wheeler market, the range of its popularity and accessibility to the masses has been enormous. This has been largely possible due to the efficient corporation and assistance, it has been able to drive from its distribution.

Bajaj Auto has been in two-wheeler business for last many decades, but it has introduced its Caliber brand just recently to match with the Competitors product.

Caliber is a very well established brand in India today. What it was introduced in India by its present name it was quite easy to market in difficult places.

The Company's strategy is to cover as many outlets as possible, so that their product is easily available to the consumer.

The management has spared no effort in spreading its distribution from the rural grassroots to the urban lads including teen-agers, College – going students (both girls and boys) as also officials and professional working in

different corners of towns, suburbs, as well as the vast spread of metropolitan and megapolitan cities.

The company has got different distributors for different brands and products. The company follows area wise distribution system i.e. for different areas there are different distributors.

PROMOTION

1. Personal Selling.

Personal Selling is an effective way to manage personal customer relationships. The sales person acts on behalf of the organization. They tend to be well trained in the approaches and techniques of personal selling.

However sales people are very expensive and should only be used where there is a genuine return on investment. For example salesmen are often used to sell cars or home improvements where the margin is high.

2. Sales Promotion.

Sales promotion tend to be thought of as being all promotions apart from advertising, personal selling, and public relations. For example the BOGOF promotion, or Buy One Get One Free. Others include couponing, money-off promotions, competitions, free accessories (such as free blades with a new razor), introductory offers (such as buy digital TV and get free installation), and so on. Each sales promotion should be carefully costed and compared with the next best alternative.

3. Public Relations (PR).

Public Relations is defined as 'the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics' (Institute of Public Relations). It is relatively cheap, but certainly not cheap. Successful strategies tend to be long-term and plan for all eventualities. All airlines exploit PR; just watch what happens when there is a disaster. The pre-planned PR machine clicks in very quickly with a very effective rehearsed plan.

4. Direct Mail.

Direct mail is very highly focused upon targeting consumers based upon a database. As with all marketing, the potential consumer is 'defined' based upon a series of attributes and similarities. Creative agencies work with marketers to design a highly focused communication in the form of a mailing. The mail is sent out to the potential consumers and responses are carefully monitored.

5. Trade Fairs and Exhibitions.

Such approaches are very good for making new contacts and renewing old ones. Companies will seldom sell much at such events. The purpose is to increase awareness and to encourage trial. They offer the opportunity for companies to meet with both the trade and the consumer. Expo has recently finished in Germany with the next one planned for Japan in 2005, despite a recent decline in interest in such events.

6. Advertising.

Advertising is a 'paid for' communication. It is used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market. There are many advertising 'media' such as newspapers (local, national, free, trade), magazines and journals, television (local, national, terrestrial, satellite) cinema, outdoor advertising (such as posters, bus sides).

Advertising strategy of Hero-Honda

i) The basic characteristics of promotion strategies adopted by Hero Honda can be had in its emphasis on advertisements through various channels. These channels which have a comparatively more effective base of viewership are targeted in the first place.

ii) Hero Honda has roped in film actor Hrithik Roshan, Captain of Indian Cricket team Sourav Ganguly, Mohammad Kaif, Harbhajan Singh, Zaheer Khan, Yuvraj Singh and Virender Sehwag as its brand ambassadors. They will endorse the company products, attend corporate and brand events and help promote its "We Care" campaign comprising safety riding, environment and friendliness.

The Company has lifted now stone unturned to get Zonal and regional offices, show rooms and outlets set up at every

place with a potential consumer base.

7. Sponsorship.

Sponsorship is where an organization pays to be associated with a particular event, cause or image. Companies will sponsor sports events such as the Olympics or Formula One. The attributes of the event are then associated with the sponsoring organization. The elements of the promotional mix are then integrated to form a unique, but coherent campaign.

As one of the two-wheeler giants of India, the company is poised to take new strides in order to promote its products like CBZ and Passion.

The essential objective of its promotion strategies is to bring to products to host of consumers with ease, perfection and at comparatively low and affordable costs. Distinguished in its fuel efficiency attributes, the company is willing to target those consumers particularly who are likely to be swept off their feet by price factors and more appearance.

Bajaj Auto is one of the largest manufacturers of two-wheeler in India. To get a greater market share it has introduced its Calibre brand. They use extensive promotional techniques like Broadcast Media, Sales Promotion, Demonstrations, Point of Purchase (POP) display.

In all this, the company has successfully shown that it believes in delivering the best products to the consumer.

Today the company has emerged as the market leader in the two-wheeler industry.

The company believes in pull strategy. The pull strategy involves those marketing activities which are designed at end users. The purpose is to induce the intermediaries to order the product from the manufacturer.

Promotional Strategies: -

BAJAJ AUTO

- Hoardings : This is one of main promotional tools of Bajaj Auto. They have installed their hoardings on highways, electric poles etc.
- Advertising : The company has, over the last few years, spent a lot on advertising in leading newspapers and media channels including the electronic media channels.
- The Company is giving more emphasis on opening new outlets at various places by keeping the tastes and preferences of the customers in mind. They are also trying to give more emphasis on the customer service at their outlets.
- Bajaj Auto is introducing new outlets these days, keeping in mind that its different products including Calibre are demonstrated by colourful lights or other attractive hoarding to make the place attractive.

PRODUCT

The CORE product is NOT the tangible, physical product. You can't touch it. That's because the core product is the BENEFIT of the product that makes it valuable to you. So with the car example, the benefit is convenience i.e. the ease at which you can go where you like, when you want to. Another core benefit is speed since you can travel around relatively quickly. The ACTUAL product is the tangible, physical product. You can get some use out of it. Again with the car example, it is the vehicle that you test drive, buy and then collect. The AUGMENTED product is the non-physical part of the product. It usually consists of lots of added value, for which you may or may not pay a premium. So when you buy a car, part of the augmented product would be the warranty, the customer service support offered by the car's manufacture, and any after-sales service.

The Hero Honda models is being increasingly used by youngsters / bachelors in urban areas and by rural folk as a study means of personal transportation. Its models attracts youngsters and higher income group.

The company is launching new products to keep face with the competitive market. Being the market leader in the scooter industry the company wants to establish the same position in the motorcycle market. The company attracts its models to lower income group by its technical specifications.

INNOVATIVE TECHNIQUES

ROCK IDOLS ADVERTISEMENT

This particular advertisement lacks colour and is very dull. Although this ad is meant for the youth, it lacks the ability to attract their attention. It covers a lot of space, which is a plus point for this advertisement, as size of the ad matters as well, but the fact that Hero Honda is the sponsor of this event goes unnoticed. Overall, an ad which will probably not be retained in the mind of customers.

HERO HONDA SPORTS AWARDS

It is very eminent from this particular ad that Hero Honda is the main sponsor for this event. The most important negative aspect of this ad is that it is in black and white, and thus does not catch one's immediate attention. It does not have the stopping, locking or the pulling powers, nor does it draw much attention towards the event Hero Honda is sponsoring.

HERO HONDA ROADIES

This is one ad which people will like, specially the youth for which it is also meant. It is very colorful, and includes film personalities with which the youth can identify themselves. It provides information people will be looking for, and also has a lot of appeal and innovation. Overall an effective advertisement.

Most of these sponsorship ads of Hero Honda lack appeal and the presentation is quite dull, uninspiring and unattractive. The fact that Hero Honda is the main sponsor should be made very clear and its name should also be mentioned at the very top. People may not pay much attention to these ads as they do not have the pulling power and lack innovation.

PASSPORT

This is a very colorful and lively ad. The message has been made very clear and a lot of vibrant and lively colours have also been used. The ad has a lot of appeal for all categories of people, even for people not owning Hero Honda bikes. It covers a lot of space and is eye catching, attractive and effective. It covers all the benefits of being a proud owner of a Hero Honda and makes one want to own it too.

FREE MOBILE OFFER

This advertisement is a better one as compared to some other Hero Honda advertisements it has been liked by the people too. It covers a lot of space and quite colorful it also has the information regarding distribution outlets. This advertisement also provides information about the expanding customer base of Hero Honda and about the special scheme launched by them in collaboration with Reliance Infocomm. Due to this fact overall it is a satisfying advertisement, moderate in presentation, yet quite nice and appealing. These advertisements are rated by the 160 respondents through use of questionnaire no.1 on 10 factors that are innovation, attractiveness, effectiveness, retention, appeal, distribution network information, message, technical context, colour combination.

PUBLIC RELATION (PR)

It involves a variety of programs designed to promote or protect a company's image or its individual products. A wise company takes concrete steps to manage successful relationship with its key policies. PR has an added advantage which leads to assistance in the launch of new products or repositioning of a mature product. It even influences specific target groups and building up of corporate image in a way that reflects favorably on its product. Hero Honda as one of the conscious companies in this context. Hero Honda regularly performs a lot of functions and has a good corporate image in the public through effective PR exercise. Hero Honda has managed to enter the minds of prospective customers.

They have taken all necessary exercise like.

a.) PRESS RELATION:

Hero Honda regularly issues press release containing news and information about organization in the most positive light.

b.) PRODUCT PUBLICITY:

1. Sponsoring a number of events in intent of the public like Hero Honda, Zee Telefilms-India's Best, ICC Mini World Cup –one of the 4 sponsors.
2. Events like Rock Idols, MTV Roadies, and Hero Honda Awards. In the present scenario PR, marketing promotion has be merged and no longer exit isolated because even promotion scheme and advertisement helps in building up the corporate image of the company. Hero Honda has a number of TOM advertisement and effective promotional scheme.
3. Advertisement (various media type the TV and print etc) Dash Ki Dadkan in this particular ad Hero Honda aims to influence and target the nerves of Indians and build a relation with Hero Honda and true Indians people. Other like CD Dawn public ka naya transport and Pankaj Kapoor's advertisement of spendor + aim to target specific audience /customer/public and also go for heavy endorse advertisements like Hrithik Roshan , Sehwaq, Harbhajan Singh, etc .
4. Promotional Schemes A number of them to influence specific target group depending even upon the time and situation like festivals etc. passport scheme, Koi Mil Gaye, Rs. 1001 financial scheme, free 2 roam scheme, karizma cost cutting 69,900 these promotional scheme are assisting in building up a good corporate image. Hero Honda even make short term alliance with a few companies to promote it's own specific product like Hero Honda has made a short term pact with reliance Indian mobile to launch free 2 rooms scheme. Hero Honda regularly dose so to have an effective promotion and PR exercise through effective PR they have managed to enter the minds of prospective customers.

CUSTOMER – CENTRIC

The Company's success has been driven by customer centric policies and teamwork to achieve progress and productivity. The philosophy of Hero Honda emphasizes the "Pursuit of Excellence" in designing and manufacturing technologically and qualitatively superior products and in creating economic value for its stakeholders. It takes care of its customers through value based competitive pricing and good after sales service. Excellent marketing, finance and loan services, an efficient dealer network, tactical promotion comprising of fuel conservation campaigns, mobile workshops, safety driving courses and others, all placed Hero Honda in a league distinct from the conventional. The Company focuses on providing "Value for Money" through its pricing strategies and after sales services.

EXCELLENT COLLABORATOR RELATIONSHIP

Hero Honda is now the leading two-wheeler Company in India in terms of net sales (sales less excise duty value, which was Rs 3171 crores. It is both the leading two wheeler manufacturer and sales operation among Honda's worldwide operations. The Company has maintained excellent relationship with all stakeholders including its collaborators. Hero Honda has emerged as the most successful joint venture Company of Honda in the world, their relationship over 116 years old now.

ERP IMPLEMENTATION

The Hero-Honda has successfully implemented SAP R/3 (ERP Program – "Project Synergy") thereby enabling proper planning and company wide efficiency. The modules were implemented and stabilized in a record 10 months period. It speaks of the commitment of the management and the implementation team towards making it processes accountable and efficient.

GROWTH MODELS

The Hero Group through the Hero Cycles Division was the first to introduce the concept of just-in-time inventory.

The Group boasts of superb operational efficiencies. Every assembly line worker operates two machines simultaneously to save time and improve productivity. The fact that most of the machines are either developed or fabricated in-house, has resulted in low inventory levels. In Hero Cycles Limited, the just-in-time inventory principle has been working since the beginning of production in the unit and is functional even till date. The raw material vendors bring in the goods get paid instantly and by the end of the day the finished product is rolled out of the factory. This is the Japanese style of production and in India, Hero is probably the only company to have mastered the art of the just-in-time inventory principle.

ANCILLARISATION

An integral part of the Group strategy of doing business differently was providing support to ancillary units. There are over 300 ancillary units today, whose production is dedicated to Hero's requirements and also a large number of other vendors, which include some of the better-known companies in the automotive segment. The Munjals have gone much beyond the conventional definition of ancillarisation, making it a point to extend technical and managerial support to these ancillaries.

EMPLOYEE POLICY

Another Striking feature within the Hero Group is the commitment and dedication of its workers. There is no organized labour union and family members of employees find ready employment within Hero. The philosophy with regard to labour management is "Hero is growing, grow with Hero." When it comes to workers' benefits, the Hero Group is known for providing facilities, further ahead of the industry norms. Long before other companies did so, Hero was giving its employees a uniform allowance, as well as House Rent Allowance (HRA) and Leave Travel Allowance (LTA). Extra benefits took the form of medical check-ups, not just for workers, but also for the immediate family members.

DEALER NETWORK

The relationship of the Munjals with their dealers is unique in its closeness. The dealers are considered a part of the Hero family. A nation-wide dealer network comprising of over 5,000 outlets, the Munjals have a formidable distribution system in place. Sales agents from Hero travels to all the corners of the country, visiting dealers and send back daily postcards with information on the stock position that day, turnover, fresh purchases, anticipated demand and also competitor action in the region. The manufacturing units have a separate department to handle dealer complaints and problems and the first response is always given in 24 hours.

FINANCIAL PLANNING

The Hero Group benefits from the Group Chairman's financial acumen and his grasp on technology, manufacturing and marketing. Group Company, Hero Cycles Limited has one of the highest labour productivity rates in the world. In Hero Honda Motors Limited, the focus is on financial and raw material management and a low employee turnover.

CONSOLIDATED FAMILY BUSINESS

The Hero Group is a strong family runs business - there is no other Group that has so successfully managed to stay together for over 45 years. The system is to bring in any new family member, coming of age, within the fold of the existing business or set him up in a new business. The third generation is already actively involved in existing as well as the new initiatives within the Group. The Group's future is being consolidated with the same zeal by the second and the third generations of the family, aided by workers who typify the hardy spirit of the Punjab.

DIVERSIFICATION

Throughout the years of mammoth growth, the Group Chairman, Mr Lall has actively looked at diversification. A significant level of backward integration in its manufacturing activities has been substantial in the Group's growth

and led to the establishment of the Hero Cycles Cold Rolling Division, Munjal and Sunbeam Castings, Munjal Auto Components and Munjal Showa Limited amongst other component-manufacturing units. Then there were the expansion into the automotive segment with the setting up of Majestic Auto Limited, where the first indigenously designed moped, Hero Majestic, went into commercial production in 1978. Then came Hero Motors, which introduced Hero Puch, in collaboration with global technology leader Steyr Daimler Puch of Austria. Hero Honda Motors was established in 1984 to manufacture 1000 cc motorcycles.

The Munjals also took a foray into other segments like exports, financial services, information technology, which includes customer response services and software development. Further expansion is expected in the areas of Insurance and Telecommunication.

TARGETING POTENTIAL SEGMENTS

With the 2-stroke Max of TVS offering little competition the stripped down version of Joy, re-launched as Dawn, has got off to a good start and is second next to Bajaj Boxer in the utility category. The rapid growth in this utility category or entry-level segment should see HHML gaining a strong hold with its Dawn.

SAVINGS ON MATERIAL COSTS THROUGH LOCALIZATION DRIVE

Through increased use of indigenous parts, HHML has been able to cut down on costs significantly. The imported raw materials and components account for 8.77% of the total consumption as compared to 19.25% last year. It is estimated that the company saves more than Rs 600 / vehicle in raw material costs.

STRONG BRAND EQUITY

Splendor continues to be the largest selling motorcycle in the world and contributes to around 65% of the company's top line by virtue of its brand. The sheer strength of this brand has been instrumental in taking on the new products from rivals and keeping the top line ticking even when the company received a setback with the launch of Joy.

COMPETITIVE POSITIONING

The motorcycle segment has occupied the top position in the two-wheeler industry, accounting for 70% of its volumes. With the scooter segment growing at a declining pace, this segment has witnessed a spate of new product launches in the last one year. As a result HHML's Splendor for the first time witnessed a volume growth lower than that of the market.

a) UTILITY SEGMENT

Market growth has started shifting towards entry level (below Rs 40,000) where HHML is weak. The recently Dawn launched to target the entry segment, is second next to Bajaj Boxer, but far behind. Boxer sells around 50,000 per month as against 14,000 for Dawn.

b) EXECUTIVE SEGMENT

Competition is intensifying for HHML's bread butter models, Splendor and Passion as TVS Victor, the first serious competition, is already selling more than 32,000 per month.

c) PREMIUM SEGMENT

Performance has been modest for HHML in this segment. In this premium segment Bajaj Pulsar sells more than 13,000 per month where as HHML's CBZ does 2500 – 3000 per month. While the company has a 200-plus cc bike in its pipeline, it is also contemplating a third plant at Rs 2.5bn in the South during the 2003.

HEAVY ADVERTISEMENTS AND PROMOTIONS

Hero Honda has a number of TOM advertisement and effective promotional scheme. PR, marketing promotion has been merged and no longer exit isolated because even promotion scheme and advertisement helps in building up the

corporate image of the company. Koi Mil Gaye, Rs.1001 financial scheme, free 2 roam scheme, karizma cost cutting 69,900 these promotional scheme are assisting in building up a good corporate image.

DISTRIBUTION NETWORK

BAJAJ Auto is to unveil its first business-to-consumer portal, Kawasakieliminator.Com, in January this year. Motorcycle enthusiasts would be able to place orders for the bike with the manufacturer who will then involve the local dealer to complete the sale. The most ambitious feature of the tentatively named Riderszone is that it will be a neutral site. That is, all manufacturers are expected to participate. Since this is the first time an Indian maker is going for a cruiser bike, there is considerable interest in the high-end, premium, bike segment. The site will provide information about the bike and allow the enthusiast to get the full feel of the product. The motorcycle will be launched in urban centres with a high internet usage pattern besides a history of buying lifestyle products. The initial launch is in Pune, followed by Mumbai, Delhi, the Punjab and Bangalore, in a high priced, niche segment.

The site is expected to add features like hire purchase and much later, second-hand vehicles. For its financing needs, Bajaj Auto Finance has already been tied in. BAFL is also expected to roll out to more cities from the next financial.

TARGETING RURAL INDIA

The two- and three-wheeler major Bajaj Auto to step on the gas in rural Bharat. And why not. With vehicle - two- and four-wheeler - penetration at 40-45% of households in most metros, mini metros, and emerging metros, the next wave of growth has to come from rural India, where it is currently as low as 7%. As a strategy, the company is segregating rural market from urban.

In the first phase, it will be setting up 20 outlets in affluent, but severely under penetrated, rural districts, by March, 2007. Special schemes and financial products suited for the rural market will be launched. Bajaj's non-banking financial arm, Bajaj Auto Financial Ltd (BAFL), is expected to play a key role here.

The strategy of having exclusive rural dealers has met with reasonable of success. In Nashik, for example, the company earlier had two outlets, both in the city, and barely a kilometer away from each other. It closed down one, and opened another one 35 km away from the city. Result: Both outlets are catering to exclusive catchments area and are closer to their customers. A rural customer no longer needs to travel to the city to buy or service his two-wheeler.

Bajaj is setting up 10 high-end motorbike showrooms - Probiking Centers - over the next 6-8 months.

Strategic Innovations(Internal Techniques)

The strategies of Hero Honda involves :

- ? • Process control quality
- ? • Self-inspection
- ? • Defect prevention through
- ? • Not to receive defective parts
- ? • Not to produce defective parts
- ? • Repenting the human potential though
- ? • Quality circles
- ? • Suggestion Schemes

RELATIVE MARKET SHARE

A business must be a customer satisfying process, not a goods producing process. Identification of various companies' strategic business unit is required to develop separate strategies and assign appropriate funding. More analytically we use BCG approach of portfolio evaluation. In the given growth share matrix graph the location of each SBU indicates the market growth rate and relative market share.

1. QUESTION MARK

SBU that operate in high growth market but have low relative market shares. Splendor 125 of Hero Honda motor land in this segment with a great potential to move in the star segment.

Suggested strategies:

- Pricing may be low penetration pricing to build market share rapidly.
- Promotion aimed at innovation and early adopter. Market communication seeks to build product awareness to educate potential customer about product.
- Differentiation in the category to have competitive advantage.

2. STARS

Market leader in high growth market. Kaizma, CD dawn, both one weak stars as they have low relative market share although having high growth market. CD dawn lacks style looks and valued difference. Kaizma approached the customer with high skim price but that too didn't workout so Hero Honda use lowered the price to penetrate and increase the market share. Substantial funds one required in skin stage to keep up with high market growth, and to fight off competition attacks.

Suggested strategies:

- In the customer value hierarchy, Hero Honda should more toward presenting its customers an augmented product. At this level, product must exceed customer expectation and this is a voluntary improvement brought in order to evaluate the value of the product.
- Pricing can be maintained as at this style a firm enjoys increasing demanded.
- Distribution channel must be made effective as do to cope up with the increase.
- Promotion should be aimed at a broader audience high emphasis on added benefit valued difference.

3. CASH COWS

There are stars with a falling growth rate that still have the target relative market share and product a lot of cash for the company. Passion + , Splendor + are strong cash cow while CBZ in weak cash cow.

Suggested strategies:

- Not much finance expansion because market 's growth rate has slowed.
- Company need to pump money back put CBZ with some additional feature implored to retain and increase the market share.
- Differentiation is must i.e. a complex wed of valued difference character the entity but Hero Honda must keep in mind that the difference must be important /valued by customer, distinctive, superior, pre-emptive, affordable and profitable.
- Pricing may be lowered because of new competition.
- Distribution should be more intensive of intensive might be offered to economy and preference over competitor product.

4. DOGS

SBU having weak marketing share in low growth market number of the Street, Sleek, CD 100, CD 100SS etc in such a stage, market is striking, reducing the overall and of profit. At this stage great care has to be taken to manage the product carefully. It may be possible to take out some production cost, to transfer production to cheaper facilities, sell product into other, cheaper market. Care should be taken to control the amount of stock of product. Ultimately, depending on whether the product remain profitable a company may decide to end the product.

Suggested strategies:

- Maintain the product, possibly rejuvenating it by adding new features and finding new uses lump in the PLC of CD100SS and Joy can still be created with some differentiation.

- Harvest the product is a reduce cost and continuous to offer it, pushing to a loyal niche segment. Street, Sleek has already been harvested off and no longer exists in the production.
- Discontinuous the product liquidating remaining inventory or selling it to another firm that is willing to continuous the product. Such a firm can be identified who want to continuous the product and hero Honda and sell off a few SBU's the dog.

PEST ANALYSIS

A PEST analysis is an analysis of the external macro-environment that affects all firms. P.E.S.T is an acronym for the political, Economic, Social and Technological factors of the external macro environment. Such external factors usually are beyond the firm's control and sometimes present themselves as threats. For this reason, some says that "PEST" is an appropriate term for these factors. However, changes in the external environment also create new opportunities and the letters sometimes are rearranged to construct the more optimistic term of STEP analysis.

Many macro environmental factors are country specific and a PEST analysis will need to be performed for all countries of interests.

PEST analysis is very important that an organization considers its environment before beginning the marketing process. In fact, environmental analysis should be continuous and feed all aspects of planning. The organization's marketing environment is made up from:

1. The internal environment e.g. staff (or internal customers), office technology, wages and finance, etc.
2. The micro-environment e.g. our external customers, agents and distributors, suppliers, our competitors, etc.
3. The macro-environment e.g. Political (and legal) forces, Economic forces, Socio-cultural forces, and Technological forces. These are known as PEST factors.

PEST ANALYSIS OF THE TWO WHEELER INDUSTRY POLITICAL/LLEGAL FACTORS

The excise duty on two-wheelers, which previously ranged between 10% to 30%, according to the engine capacity was rationalized in 1991-92 budget to only two-categories viz. 15% up to 75cc and 25% above 75cc. This mainly affected manufacturers of 100cc category in the early nineties. Since then the excise duty structure for two-wheelers has been left unchanged till 1999. In the 1999-2000 budgets, due to rationalization of duty structure the excise duty up to 75cc vehicles was increased to 16% while for those above 75cc decreased to 24%. As a result, scooter prices were reduced by Rs 200-400 per vehicle. The components used for manufacturing two-wheelers are charged an excise duty of 15%. The industry has been asking GOI to reduce this excise duty to 10%. The price of the two-wheelers varies across the country due to variation in registration charges, state taxes and octroi levied by the states. The Government of India (GOI) wants the automobile industry to achieve a major improvement in emission levels in two steps. The first milestone was achieved by applying stringent norms applicable from April 1, 1996. This confirms to Euro I standards. The second hurdle has been set with a dead line of April 1, 2000, which confirm to Euro II norms.

The GOI controls availability and price of petrol, the fuel for two-wheelers. But with the dismantling of Administered Price Mechanism (APM), the cross subsidy provided by high petrol prices is expected to come down leading to reduction in petrol prices in the country. This will reduce the running cost per km for two-wheelers and have positive impact on demand.

The availability of unleaded petrol across the country will be a crucial factor, as catalytic converters (used to confirm Y2K norms) work satisfactorily only under unleaded petrol. Therefore GOI, which controls distribution of petroleum products in the country, has to take speedy measure, so as to enhance the availability of unleaded petrol across the country by April 2000.

Government policy impact on petrol prices: Petrol prices determine the running cost of two/three wheelers expressed in Rupees per kilometer. Petrol prices are the highest in India as GOI subsidizes kerosene and diesel. But with the recent change in GOI policy to reduce the subsidy, the prices of petrol will remain constant at the current prices. This will have a positive effect on purchases on two/three wheelers.

Opening up of the Indian two-wheeler industry to international players –Honda, Suzuki and Yamaha of Japan and Piaggio of Italy. Foreign equity collaboration was allowed.

Reduction in custom tariffs on imported components as well as excise concessions to fuel-efficient vehicles up to 100cc.

ECONOMIC FACTORS

The improvement in Asian market is expected to improve the two-wheelers exports in the year 2006 and grow by 8% till end of 2006. This will lead to exports of 0.1 million two-wheelers in 2005 to 0.11 million in 2006.

Improvement in disposable income: With the increase in salary levels, due to entry of multinationals following liberalization process and fifth pay commission, the disposable income has improved exponentially over the years. This will have a multiplier effect on demand for consumer durables including two-wheelers. This is already witnessed in improved demand for 2-wheelers in 2005 compared to a meager growth in 2003.

Changes in prices of second hand cars: The second hand car prices of small cars have come down sharply in the recent past. This will shift the demand from higher end two-wheelers to cars and affect the demand for two-wheelers negatively. A further drop in second hand car prices will lead to pressure on the two-wheeler majors who plan to release higher end scooters and motorcycles.

Availability of credit for vehicle purchase: The availability and cost of finance affects the demand for two and three-wheelers as the trend for increased credit purchases for consumer durable has increased over the years. Therefore any change with respect to any of these two parameters as a result of change in RBI policy has to be closely watched to assess the demand for two and three wheelers.

SOCIO-CULTURAL FACTORS

A deteriorating public transport system.

A growing middle class and increasing demand for two wheelers in small towns and rural areas. Teenagers and women prefer easy maneuverability/handling ease. Urbanites are lured by fuel efficiency and low maintenance. The lower end of the market looks for durability, value for money and higher resale value. The demand for scooters is price sensitive compared to motorcycles. Customer preference towards fuel-efficient and aesthetics has increased, leading to higher growth in sales of premium end scooters. This has induced the companies to bring in new models in this segment, to help in obtaining better realization. The major beneficiary from this trend had been LML, which has a dominant position in premium scooters segment. Implementation of mass transport system: Many states have planned to implement mass transport systems in state capitals in the future. This will have negative impact on demand for two-wheelers in the long run. But taking into account the delays involved in implementation of such large infrastructure projects, we expect the demand to be affected only five to seven years down the line.

TECHNOLOGICAL FACTORS

For the two-wheelers new emission norm for year 2005 will be an acid test as none of the present models except four stroke vehicles confirm to the norms. To full-fill emission norms the manufacturers have three options: to switch to four-stroke engines, to fit catalytic converters for the existing models, to improve upon the existing two-stroke engine. The temporary option for overcoming emission norms is to fit the catalytic converters, this will increase the cost of vehicles. But as a long-run solution scooter manufacturers have to opt for four-stroke engines or improvement in two stroke engines. The Indo-Japanese motorcycle segment will be able to overcome emission norms with the technology help of respective Japanese collaborator. The Indian motorcycles have to either shift to four-stroke technology or make use of catalytic converter. But this will reduce the price difference between Indian and Indo-Japanese motorcycles, reducing the price advantage of Indian motorcycles.

The mopeds segment will be badly affected due to Y2K emission norms, as none of the existing moped models confirm to the specifications. With the deadline nearing, the moped manufacturers have to tighten the belt to meet the norms.

SWOT ANALYSIS



Strengths

- ? • Cost Competitiveness in terms of Labor and Raw Material
- ? • Established Manufacturing Base .
- ? • Economies of Scale due to Domestic Market
- ? • Potential to harness Global Brand Image of the Parent Company.
- ? • Global Hub Policy for two wheelers.

Weaknesses

- ? • Infrastructure Bottlenecks
- ? • Perception about Quality

Opportunities

- ? • Huge Export Markets (Europe ,America ,Africa etc) for Indian two wheelers

Threats

- ? • China, Malaysia, Thailand etc.
- ? • Growing of four wheeler segment is also a big threat to the two wheeler segment.

RESEARCH METHODOLOGY

DATA COLLECTION

The task of data collection begins after a research .a problem has been defined and research design/plan chalked out. While deciding about the method data collection, the research should keep in mind two types of data viz., primary and secondary.

The primary data are those, which are collected a fresh and for the first time and thus happen to be original in character. The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process. The methods of collecting primary data are to be originally collected, while in case of secondary data the nature of data collection work is merely that of compilation

COLLECTION OF PRIMARY DATA

We collected primary data during the course of doing experiments in experimental research. We can obtain primary data either through observation or through direct communication with respondents, or through personal interviews.

COLLECTION OF SECONDARY DATA

Secondary data means data that are already available i.e. They refer to the data which have already been collected and analyzed by someone else. it may either be published data are available are available in:

- Various publications
- Technical and trade journals
- Books, magazines & statistics
- Visiting various showrooms
- Discussing with the user of bikes with reference to questionnaire

SAMPLE SIZE

Sample size for customer's needs and satisfaction level: 100

TOOLS USED IN SURVEY

The various tools used in conducting the surveys are as follows:-

- Observation method
- Personal interviews
- Questionnaire

OBSERVATION METHOD

Observation method is the most commonly used method in a survey. Observation becomes a scientific tool and the method of data collection for the researcher, when it serves a formulated research purposes systematically planned and recorded and is subjected to checks and controls on validity and reliability. Under the observation without asking from the respondent.

INTERVIEW METHOD

The interview method of collecting data involves presentation of oral verbal stimuli and reply in term of oral verbal responses. Personal interview methods in a face-to face contact to the other person or persons. This method is particularly suitable for intensive investigations.

QUESTIONNAIRE

This method of data collection is quite popular in case of big enquires. In this method a questionnaire is presented to a concerned person with a request to give answers of the questions. A questionnaire consists of forms. The respondents have to answer the question on their own.

The general form of a questionnaire is concerned; it can either be structured or constructed questionnaire structured or constructed questionnaire. Structured questionnaires are those questionnaires in which these are definite, concrete and pre-determined questions. When their characteristics are not present in a questionnaire, it can be termed as unstructured or non-structured questionnaire.

PROCEDURE OF RESEARCH

1. To conduct the research the target population was the motorbike users.
2. Target geographic area was Delhi sample size was 100 for customer satisfaction.
3. To this sample a questionnaire was given, the questionnaire was combination of both open ended and close-ended question.
4. Some dealers were also interviewed to know about the various products market scenario of Hero Honda.
5. Finally the collected data if was analyzed and computed to arrive at the conclusion and recommendation given.

RESEARCH USED:

The study of dissertation is based on descriptive research. The major purpose of descriptive research is to give description of the state of affairs as it's exists at present. The main characteristic of this method is that the research has no control over variables; this can only report what has happened or what is happening. The Information Regarding the organization's marketing strategies has been obtained through

Secondary Sources

- Internet

- Reports of CII
- Articles from – Business Today, Business India, A & M's. Business worlds.
- Newspaper Articles from – Indian observes, Brand Equity, Economic Times.
- Based on the information obtained from the above sources concepts were developed on which analysis was made.
- Questionnaire

DATA ANALYSIS & INTERPRETATION

SPSS RESULTS

FACTOR ANALYSIS

Factor analysis is a statistical method used to explain variability among observed random variables in terms of fewer unobserved random variables called factors. The observed variables are modeled as linear combinations of the factors, plus "error" terms.

The two-wheelers market has had a perceptible shift from a buyers market to a sellers market with a variety of choices. Players will have to compete on various fronts viz pricing, technology, product design, productivity, after sale service, marketing and distribution. In the short term, market shares of individual manufacturers are going to be sensitive to capacity, product acceptance, pricing and competitive pressures from other manufacturers.

All the three segments, motorcycles, scooters and mopeds have witnessed capacity additions in the last one year and it will continue in the upcoming period. Over this period, only the motorcycle segment is expected witness higher demand vis-à-vis supply, while the scooters and mopeds supply will outstrip demand.

As the various companies are coming in India and investing heavily to have there own manufacturing plants in India. Therefore the competition in Indian automobile industry is increasing.

Therefore companies are using various innovative techniques to increase there overall returns. Companies like Hero-Honda and Bajaj is investing heavily in advertising to increase there market share. So in the coming future the fate of automobiles in India is good. The companies needs to regularly update there technology and brand promotion techniques.

As incomes grow and people feel the need to own a private means of transport, sales of two-wheelers will rise. Penetration is expected to increase to approximately to more than 25% by 2005.

The motorcycle segment will continue to lead the demand for two-wheelers in the coming years. Motorcycle sales is expected to increase by 20%yoy as compared to 1% growth in the scooter market and 3% by moped sales respectively for the next two-years.

RECOMMENDATIONS

? • Better advertising and brand promotion: - In terms of brand promotion and advertising Hero-Honda has set a very good example. It has organized various innovative shows MTV roadies which has really influenced the youth of India.

? • Broader production base: The company should be poised to drop its costs and increase its competitive strength in the market place so that it may be able to broader its production bases.

? • Low per capita use: The per capita consumption of automobiles manufactures particulars in India is not so high as in China and Japan. This not withstanding the fat that the Company has been able to achieve a mixed bag of success and failures recently. The fact remains that this disparity is expected over the coming years especially with prices expected to drop in the coming year.

? • Companies should try to increase more authorized dealers and service centres in India.

? • Global thrust: It can thrust to emerge as a global player of respect for which it is necessary to export in bigger quantities than it has done in the past. This will require big capacities.

? • The media Revolution, Exposure to foreign brands and raising incomes will promoted greater consumer awareness. The market for consumer goods will continue to grow and rural demand is expected to be particularly strong as a result of several years of comparative agricultural prosperity. Therefore the company should increase its

production capacity and capitalize on its resource-mobilizing capabilities to this end only.

- The company should supply products of highest quality at restorable prices for customers satisfaction and for the benefit of the society in general.
- The company should ensure timely supply to dealers.
- The company should have a better work culture among all employees and it should generate and sustain the concretion among all employees and it should generate and sustain the concretion among all employees through systems education and training.
- They should also think to develop new segment in two wheelers both in terms of power and fuel(CNG, LPG and Diesel).

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