

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,

Open J-Gate, India [link of the same is duly available at Infilbnet of University Grants Commission (U.G.C.)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 5000 Cities in 187 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	AN EVALUATION OF FACTORS INFLUENCING FINANCIAL PERFORMANCE OF SELECTED TEA MANUFACTURING COMPANIES IN MALAWI <i>DR. B. NGWENYA & C. NDALAMA</i>	1
2.	FILM PRODUCTION FOR PROMOTING TOURISM DESTINATIONS: LESSONS FOR ASSAM <i>DR. AMALESH BHOWAL & SHAHNOOR RAHMAN</i>	5
3.	ENHANCEMENT OF EMPLOYEE PERFORMANCE THROUGH COMPETENCY MAPPING IN IT SECTOR – AN EMPIRICAL ANALYSIS <i>DR. BEULAH VIJI CHRISTIANA. M</i>	8
4.	A STUDY ON CONSUMER PERCEPTION OF THE PURCHASE DECISION TOWARDS TWO WHEELERS - WITH SPECIAL REFERENCE TO RAYALASEEMA REGION IN ANDHRA PRADESH <i>DELLI KUMAR. KOTI & DR. P. BALAJI PRASAD</i>	15
5.	A STUDY ON CONSUMER PREFERENCE TO TOOTH PASTE WITH REFERENCE TO TIRUVARUR TOWN <i>C. SHANTHI & DR. P. ASOKAN</i>	19
6.	DISCERNING THE DIFFERENCE BETWEEN REALITY AND PERCEPTION - EXPERIENCES OF PETROL PUMP ATTENDANTS WHILE DEALING WITH CUSTOMERS <i>TANAYA ACHAREKAR</i>	22
7.	THE APPLICATION OF MARKOV MODEL IN MANPOWER SYSTEMS <i>PENUEL NYAANGA ONDIENG'A, GEORGE OTIENO ORWA & JOSEPH MUNG'ATU</i>	24
8.	IMPLEMENTATION OF INDUCTIVE TEACHING STYLE IN ENGINEERING COLLEGES, BENGALURU <i>KISHORE M N, ARPITHA R & PRADEEP</i>	28
9.	IMPACT OF GREEN BRAND AWARENESS AND GREEN BRAND TRUST ON GREEN BRAND PREFERENCE AMONG TEENAGERS IN ERNAKULAM <i>RIYA MARY</i>	32
10.	A DESCRIPTIVE STUDY ON BUSINESS ETHICS <i>HARSHA SAHU</i>	35
11.	GROWTH OF ONLINE TRADING & COMPARATIVE STUDY BETWEEN DIFFERENT STOCK BROKERS IN INDIA WITH SPECIAL REFERENCE TO THE REGION OF JAGADHRI, HARYANA <i>JAYA SHARMA</i>	39
12.	AN ENQUIRY INTO THE EFFECT OF INDICATORS ON HDI <i>ARUP KUMAR SARKAR</i>	45
13.	FACTORS THAT OBSTRUCT TOURISM DEVELOPMENT IN BANGLADESH <i>NUSRAT JAHAN & SABRINA RAHMAN</i>	48
14.	E-MARKETING: A MODERN APPROACH OF BUSINESS AT THE DOOR OF CONSUMER <i>DR. MANOJKUMAR JYOTIRAM GAIKWAD & PARIKSHITKUMAR HIRALAL KATE</i>	56
15.	A STUDY ON ROLE OF HUMAN RESOURCE POST ACQUISITION: A CASE STUDY OF SUN PHARMACEUTICALS AND RANBAXY LABORATORIES <i>DR. VAISHALI SHARMA & NEHA MAREJA</i>	62
16.	EMPIRICAL ANALYSIS ON SELECTED PUBLIC & PRIVATE SECTOR BANKS WITH CAMEL APPROACH <i>A. SAMBARAJU, DURGAPRASAD NAVULLA & DR. G. SUNITHA</i>	65
17.	EX-POST FACTO RESEARCH ON "HYGIENE PRACTICES" FOLLOWED BY FOOD HANDLERS <i>RISHIE PRAVEEN FRANKLIN</i>	71
18.	ANALYSIS OF PROFITABILITY AND RISK: A CASE STUDY OF MRF LTD. <i>PARTHA GHOSH</i>	74
19.	A STUDY ON THE EFFECTIVENESS OF INTEGRATED MARKETING COMMUNICATION ON DIFFERENT BRANDS OF GOLD JEWELLERY <i>HANNA JOSEPH</i>	77
20.	PROFITABILITY ANALYSIS OF INDIAN CEMENT INDUSTRY: A STUDY DURING 2010-15 <i>SURAJ S. GANG</i>	83
	REQUEST FOR FEEDBACK & DISCLAIMER	87

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur

(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)

Chancellor, K. R. Mangalam University, Gurgaon

Chancellor, Lingaya's University, Faridabad

Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi

Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana

Former Vice-President, Dadri Education Society, Charkhi Dadri

Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

FORMER CO-ORDINATOR

DR. S. GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. BHAVET

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. ANIL K. SAINI

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P. J. L. N. Government College, Faridabad

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. ABHAY BANSAL

Head, Department of I.T., Amity School of Engineering & Technology, Amity University, Noida

PROF. V. SELVAM

SSL, VIT University, Vellore

PROF. N. SUNDARAM

VIT University, Vellore

DR. PARDEEP AHLAWAT

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

DR. S. TABASSUM SULTANA

Associate Professor, Department of Business Management, Matrusri Institute of P.G. Studies, Hyderabad

DR. JASVEEN KAUR

Asst. Professor, University Business School, Guru Nanak Dev University, Amritsar

FORMER TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled ' _____ ' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR

Designation/Post*

Institution/College/University with full address & Pin Code

Residential address with Pin Code

Mobile Number (s) with country ISD code

Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)

Landline Number (s) with country ISD code

E-mail Address

Alternate E-mail Address

Nationality

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation etc. **The qualification of author is not acceptable for the purpose.**

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

<http://ijrcm.org.in/>

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf version is liable to be rejected without any consideration.**
 - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
 - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
 - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
 - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
 - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
 - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised**.
 3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
 4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
 5. **ABSTRACT:** Abstract should be in **fully Italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA. Abbreviations must be mentioned in full.**
 6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
 7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aea-web.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
 8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. **It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
 9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
 10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
 11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document.** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

AN EVALUATION OF FACTORS INFLUENCING FINANCIAL PERFORMANCE OF SELECTED TEA MANUFACTURING COMPANIES IN MALAWI

DR. B. NGWENYA
DEAN
FACULTY OF BUSINESS
SOLUSI UNIVERSITY
ZIMBABWE

C. NDALAMA
STUDENT
SOLUSI UNIVERSITY
ZIMBABWE

ABSTRACT

This study was conducted quantitatively to evaluate the factors influencing the financial performance of selected Tea manufacturing companies in Malawi. The following constructs or dimensions were used as the basis of the theoretical framework: budgetary control, exports market strategy, information technology (IT) use and the efficient management of assets. The data collected from the 103 respondents was analyzed using the statistical package for social sciences (SPSS). The descriptive statistics such as mean and standard deviations as well as the regression analysis were employed. The major findings of this study are that while the selected Tea manufacturing companies applied the profitability factors of budgetary control, export market strategy, information technology use, and efficient management there is no significant correlation between these factors and the profitability of the selected companies. The correlation is significantly weak as only two variables entered the regression: efficient management of assets and budgetary control. The conclusion is that there could be other latent factors or dimensions of profitability that influenced the profitability trends of the selected Tea manufacturing companies over the period 2010 to 2014. A recommendation for a further future study employing factor analysis to extract these latent dimensions is made thereto.

KEYWORDS

financial performance, budgetary control, export market strategy, information technology use, efficient management of assets, tea manufacturing companies.

INTRODUCTION

Literature suggest that there are internal and external environmental factors that contribute to the high profits in Tea manufacturing companies and some of these factors are budgetary control, exports marketing strategies, use of information technology and efficient management of assets (Wood and Sangster, 2012). Managers must create a control environment if companies want to earn more profits. Managers have a successful set of internal controls that enable employees to work in accordance with management's policies and procedures. Controls must insure and assure compliance by employees at all levels. Managers must perceive and follow the limits on their authority to increase the organizations' resources. Monthly budgetary control reports show the details on how managers spend using the powers given to them. Certainly 'Budget Management Structure' must give a room for reviews during the specified period.

NEED FOR THE STUDY

The agricultural sector is enormously important to the Malawi's economy and to most of Malawi's households, contributing up to 40% percent of Gross Domestic Product (GDP) and 90% of export income. The Malawian nation registered to be the first country to grow marketable tea on a larger amount. At present, big marketable companies elucidate ninety-three percent under manufacturing. Six thousand five hundred to eight thousand five hundreds of small scale farmers who own only fifteen percent of land shared among them elucidates only the remaining seven percent. Bigger portion of land is possessed by overseas industries which are basically located in the two districts of Malawi, that is, Thyolo district and Mulanje district.

STATEMENT OF THE PROBLEM

The agricultural sector is enormously important to the economy of Malawi and to most of Malawi's households, contributing 40% percent of the Gross Domestic Product (GDP) and 90% of export income. The Malawian nation is registered as the first country to grow marketable tea on a larger scale. At present, big marketable companies occupy ninety-three percent of the tea manufacturing sectors in Malawi. While about six thousand five hundred small scale farmers own only fifteen percent of the land shared amongst them occupy only the remaining seven percent. A bigger portion of land is possessed by Multinational companies which are basically concentrated in the two districts of Malawi and these are Thyolo and Mulanje. However, the extent to which the factors that contribute to the increase in profitability of the tea manufacturing companies in Malawi is not known. Therefore, the focus of this study is to examine the extent, to which tea manufacturing companies financial performance is influenced by budgetary control, exports marketing strategy, use of information technology and efficient management of assets.

OBJECTIVES OF THE STUDY

1. To assess the profitability levels of the tea manufacturing companies in Malawi during the period 2010 to 2014.
2. To establish the extent to which the selected manufacturing companies apply the following business strategies in their operations.
 - Budgetary Control
 - Exports Marketing Strategy
 - Use of Information Technology
 - Efficient Management of Assets
3. To determine the extent to which the financial performance of selected tea manufacturing companies in Malawi is influenced by the following business strategies:
 - Budgetary Control
 - Exports Marketing Strategy
 - Use of Information Technology
 - Efficient Management of Assets

METHODOLOGY

The population of the study consisted of 150 employees of tea manufacturing companies in the southern region of Malawi. The sample consisted of 103 employees from 8 tea manufacturing companies that were chosen using the simple random sampling technique.

The instrument for the study was developed by the researchers, in the form of a five point Likert scale. The validity of the instrument was determined by using both the face and content validity. To determine the reliability of the instrument a pilot study was carried out using 30 employees from 2 tea manufacturing companies in the southern region of Malawi. A Cronbach's Alpha of 0.764 was obtained and found satisfactory as a result the instrument was deemed fit for operational purposes.

LITERATURE REVIEW

Budgetary Control: According to Lucey (2007) the aim of budgetary control is to provide a formal basis for monitoring the progress of the organization as a whole and its component parts towards the achievement of the objectives specified in the planning budgets. The budgetary control system provides of the feedback necessary to be able to make corrections to current operations and activities in order to meet the original objectives and plans, and also some of the feedback upon which alterations to the plans are made, if necessary. Wood and Sangster (2012) suggest that tactic of budgetary control is probably accountancy's main contribution to management. Budgets are set up by management and recorded by management accountants. Concrete results are compared against the budgets by management's accountancy that passes report to management concerning the degree to which budgets are being met. This enables managers to have power over activities and to step in and bring to an end the situations where the budget is being neglected or disregarded.

Exports Marketing Strategy: Studies have shown that if companies want to sell their products and make profits, they should understand what marketing is all about. According to Burns and Bush (2000) marketing approach consists of selecting sector of a market as the company's target market and designing the appropriate "mix" of product/service, price, promotion and distribution system to meet the wants and needs of customers within that target market. The two authors further suggest that the American Marketing Association (AMA) defines marketing as the performance of all activities necessary for the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives. Kotler *et al.* (2008) state that the marketing hypothesis holds that the achievement of organizational goals depends on knowing the needs and wants of the target markets and delivering the preferred satisfactions better than competitors do.

Use of Information Technology: Turban, Maclean, Wetherbe, Bolloju & Davidson (2013) define Information technology as "the collection of computer systems used by an organization". It must be noted that tea manufacturing companies' continued existence in Malawi depends on the most excellent selection of information technology systems that will improve the company's profitability and a company competitive situation. Chaffey (2011) state that those present industries need to have information in order to put together the existing business models, while at the same time experimenting with fresh business models. Fresh business models may be important to add a competitive advantage over existing competitors, while at the same time heading off similar business models created by new entrants. More commonly, they may simply offer a different income stream through advertising or charging for services in a new way, (Chaffey, 2011). Chaffey (2011) continues to suggest that a 'business model' as "an architecture for product, service and information flows, including a description of the various business actors and their roles; and a description of the potential benefits for the various business actors; and a description of the sources of revenue". Turban, Maclean, Wethebre, Bolloju & Davison (2013) comes up again with 'digital economy' which they refer to "an economy that is based on digital technologies, including digital communication networks (the Internet, intranets, and private value-added networks or VANS), computer software, and other related information technologies". They are further coming up with the following relevant statistics relating to this digital revolution in the country of America in order to show us how information technology contributes to the profitability of the nation.

Efficient Management of Assets: According to Horne and Wachowicz (2014) Asset management, broadly defined, refers to "any system that monitors and maintains things of value to an entity or group." He further says that it may be relevant to both physical assets such as buildings and to indefinable concepts such as intellectual property and goodwill. Tea manufacturing companies' managers have to manage their assets efficiently in order to achieve the goal. According to Horne & Wachowicz (2014), asset management decision is one of the decision functions of financial management. They further say that the purchased companies resources are ought to be taken care professionally by the users. They further affirm that Finance department managers are given the mandate only to take care of the current resources and make sure that they are properly managed. These accountabilities require dedicated finance managers to look after the current resources. A huge responsibility of managing non-current resources is in the hands of the department which normally uses them.

ANALYSIS OF THE STUDY

TABLE 1: PROFITABILITY AVERAGE 2010 – 2014

	Mean	Std. Deviation
Profitability Average 2010	4.70	1.451
Profitability Average 2011	4.51	1.826
Profitability Average 2012	6.23	1.172
Profitability Average 2013	7.63	1.147
Profitability Average 2014	8.63	1.391

The study investigated the profitability level of tea manufacturing companies in Malawi from 2010 to 2014. It can be seen from table1 above, that the mean profits ranges from 4.70 to 8.63. There were small variations among the mean profits of tea manufacturing companies sampled except for 2011. This was revealed by a higher standard deviation of 1.83 than the rest of the years (2010, 2012, and 2013, through 2014). In addition, there was an increasing trend of profitability of the companies throughout the years except in 2011 where there was a drop to 4.51.

TABLE 2: THE EXTENT OF APPLICATION OF BUSINESS STRATEGIES

	N	Mean	Std. Deviation
Budgetary Control Variables	103	4.73	.335
Exports Marketing Strategy Variables	103	3.12	.586
Use of Information Technology Variables	103	4.27	.391
Efficient Management of Assets Variables	103	4.47	.333

Table 2 shows that the tea manufacturing companies in Malawi apply Budgetary Control strategies satisfactorily as indicated by a mean of 4.73 and standard deviation of 0.335. The strategies used in marketing exports can be said to be fair as shown by a mean of 3.12. A standard deviation of 0.586 was obtained showing that the respondents were homogeneous in their responses. The companies apply information technology satisfactorily in their operations as indicated by an overall mean of 4.27. The standard deviation of 0.391 showed that the respondents were homogeneous in their responses. Table 2 also shows that the resources are efficiently managed and as a result, tea manufacturing companies in Malawi apply this satisfactorily in their operations as shown by an overall mean of 4.47 and a standard deviation of 0.333 indicating that most respondents saw the resources well managed.

TABLE 3: ONE – SAMPLE STATISTICS

	Test Value = 3.5					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Budgetary Control 1	47.605	102	.000	1.42233	1.3631	1.4816
Budgetary Control 2	20.380	102	.000	1.04369	.9421	1.1453
Budgetary Control 3	19.685	102	.000	1.07282	.9647	1.1809
Budgetary Control 4	47.605	102	.000	1.42233	1.3631	1.4816
Budgetary Control 5	39.858	102	.000	1.42233	1.3515	1.4931
Budgetary Control 6	16.444	102	.000	.98544	.8666	1.1043
Export Marketing 7	-11.844	102	.000	-1.59709	-1.8645	-1.3296
Export Marketing 8	-6.641	102	.000	-.94660	-1.2293	-.6639
Export Marketing 9	-10.404	102	.000	-1.40291	-1.6704	-1.1355
Export Marketing 10	19.913	102	.000	1.08252	.9747	1.1904
Export Marketing 11	15.069	102	.000	.94660	.8220	1.0712
Information Technology 12	14.464	102	.000	.55825	.4817	.6348
Information Technology 13	18.103	102	.000	.99515	.8861	1.1042
Information Technology 14	4.068	102	.000	.23786	.1219	.3538
Information Technology 15	19.268	102	.000	1.02427	.9188	1.1297
Information Technology 16	19.678	102	.000	1.04369	.9385	1.1489
Effective Management 17	17.801	102	.000	.61650	.5478	.6852
Effective Management 18	53.670	102	.000	1.42233	1.3698	1.4749
Effective Management 19	23.171	102	.000	1.25728	1.1497	1.3649
Effective Management 20	24.790	102	.000	1.29612	1.1924	1.3998
Effective Management 21	18.525	102	.000	.98544	.8799	1.0909
Effective Management 22	6.560	102	.000	.59709	.4166	.7776
Effective Management 23	6.714	102	.000	.60680	.4275	.7861
Budgetary Control Average	42.182	102	.000	1.27670	1.2167	1.3367
Export Marketing Average	-6.644	102	.000	-.38350	-.4980	-.2690
Information Technology Average	20.038	102	.000	.77184	.6954	.8482
Effective Management Average	26.940	102	.000	1.02751	.9519	1.1032

Looking at the table 3 above, we can see that the independent variable means are significantly different from the Test Value 3.5 because the values in the Sig. "(2-tailed)" row are less than 0.05. This implies that all the independent variables means are not equal to 3.5. The respondents either strongly agreed or strongly disagreed that the dependent variable (profitability) is influenced by the independent variables (profitability factors) under consideration. The study concludes that the differences between companies' profits are likely due to chance and not likely due to the independent variables in operation.

TABLE 4: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.204a	.042	.032	1.057
2	.292b	.085	.067	1.037

a. Predictors: (Constant), Efficient Management of Assets

b. Predictors: (Constant) Efficient Management of assets, Budgetary Control

From the model summary above, Efficient Management of Assets and Budgetary Control accounted for 6.7% variance in profitability. Efficient Management of Assets accounted for 3.2% while budgetary control accounted for 3.5%. This is an indication that other factors accounted for the remaining 93.3% variance in profitability.

TABLE 5: ANALYSIS OF VARIANCE (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.90	1	4.90	4.393	.039 ^a
	Residual	1.13	101	1.12		
	Total	1.18	102			
2	Regression	1.01	2	5.03	4.674	.011 ^b
	Residual	1.08	100	1.08		
	Total	1.18	102			

a. Dependent Variable: Profitability Average

b. Predictors: (Constant), Efficient Management of Assets

c. Predictors: (Constant), Efficient Management of assets, Budgetary Control.

From the ANOVA Table 5 above, the F Values of 4.393 and 4.674 for Efficient Management of Assets and Budgetary Control respectively were found to be significant; an indication that the results of the regression analysis is true.

TABLE 6: COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.776	1.228		3.075	.003
	Efficient Management of Assets	5.665	2.703	.204	2.096	.039
2	(Constant)	6.155	1.623		3.792	.000
	Efficient Management of assets	1.023	3.376	.369	3.031	.003
	Budgetary Control	-9.310	4.254	-.266	-2.188	.031

a. Dependent Variable: Profitability Average

From table 6 above, the Beta Value of 0.369, that is, for Efficient Management of Assets was found to be positive; an indication that the more the Tea Manufacturing Companies manage assets efficiently the better is the profitability of the company. However, the Beta Value for the Budgetary Control was found to be negative (-0.266); an indication that the more rigid the budgetary control is the less the profitability of the company. In budgetary control managers need to work with budgets that are not rigid in the sense that when they see that an item has been overspent they can review only that item since flexible budgets give an allowance that permits management to make reviews. This process does not hinder production in manufacturing companies (Lucey, 2007).

FINDINGS AND SUGGESTIONS

The above findings suggest that while the Tea manufacturing companies in Malawi were generally profitable during the period 2010 to 2014, the statistics employed in the analysis of data in this study significantly disassociated the profitability levels with the premised profitability factors. That is there was no significant relationship between the “Independent” and the “Dependent” variables.

Suggestion 1: The period under study, that is, 2010—2014 saw an increasing trend in profitability within the Tea manufacturing companies in Malawi, with some normal and natural variations, notwithstanding the decline in profitability in the year 2011.

Suggestion 2: The results of the study indicate that the Tea manufacturing companies in Malawi apply and effectively employ budgetary control strategies in their operations, export marketing strategies, embrace information technology and efficiently manage their assets.

Suggestion 3: The respondents either strongly agreed or strongly disagreed that the dependent variable (profitability) is influenced by the independent variables (profitability factors) under consideration. The study concludes that the differences between companies' profits are likely due to chance and not likely due to the independent variables in operation.

Suggestion 4: However efficient management of assets and budgetary control accounted for 6.7% of the variance in profitability. The only two factors that entered the regression. Efficient management of assets on its own accounted for 3.2% of the variance, while budgetary control accounted for 3.5%. The remaining 93.3% of the variance was accounted for by other factors.

Suggestion 5: It is quite clear that there must be other latent dimensions or factors that significantly contributed to the profitability of the selected Tea manufacturing companies other than management of assets and budgetary control. Factor analysis could be used to conduct a further study in future.

REFERENCES

1. Burns, A. & Bush, R. (2000). Marketing Research (3rd Ed.). Upper Saddle River: New Jersey
2. Chaffey, D. (2011). E – Business & E – Commerce Management. Strategy, Implementation and Practice (5th Ed.). Harlow, England: Prentice Hall.
3. Horne, J. C. & Wachowiz, J.M. (1997). Fundamentals of Financial (10th Ed.). Upper Saddle River, New Jersey: Prentice Hall
4. Information Technology in Manufacturing Industries. Retrieved April 30, 2014, from http://www.ehow.com/facts_7340649_information-technology-manufacturing-industry.html. Investopedia. (n.d.). Financial Performance. Retrieved Sept 1, 2014, from <http://www.investopedia.com/terms/f/financial-performance.asp>
5. Kotler, P. (2008). Marketing Management. Upper Saddle, New Jersey: Prentice Hall
6. Kotler, P., Armstrong, G., Wong, V. & Saunders, J. (2008). Principles of Marketing (5th Ed.) Harlow, England: Prentice Hall
7. Lucey, T. (2007). Management Accounting. Boston: Boston University.
8. Turban, E., Maclean, E., Wethebre, J. & Bolloju, N. (2013). Information Technology
9. Wood, F & Sangster, A. (2012). Business Accounting (12th Ed.). Prentice Hall for Management (3rd.Ed). John Wiley & Sons, Inc: USA

FILM PRODUCTION FOR PROMOTING TOURISM DESTINATIONS: LESSONS FOR ASSAM

DR. AMALESH BHOWAL
PROFESSOR & HEAD
DEPARTMENT OF COMMERCE
ASSAM UNIVERSITY
DIPHU

SHAHNOOR RAHMAN
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
D. K. D. COLLEGE
DERGAON

ABSTRACT

India has been blessed with incredible cultural diversity, scenic locations, low production costs and trained film crews. Increased collaboration between India and other countries will certainly aid in optimizing the country realizing its true potential in terms of its natural and man-made resources. Film production benefits the destination/location in several ways that has been widely accepted all over the world. From creating employment to propagating the tourism potentials of a destination, film productions have benefitted the destinations greatly. However, all these benefits have not been availed by the film industry in Assam - be it due to lack of interest of filmmakers or due to lack of incentives. Key State Governments in India have recognized benefits of promoting their respective states by attracting Film productions and have initiated measures to attract both foreign and local filmmakers by offering production and tax incentives. But there is a total dearth of incentives and sops for filmmakers to come and shoot their films in Assam. The Film industry in Assam is over 80(eighty) years old, but still Assamese films have not been able to create a curiosity or desire in the minds of people, outside the state or outside the country, to visit the state. Moreover, national and international filmmakers are also not interested in producing good commercial films in the state. Steps can be taken to attract film productions from national and international filmmakers by offering incentives. Moreover, the local filmmakers can also be motivated to produce films propagating the tourism potentials of the state. The paper has been prepared by studying and analysing data from secondary sources including reports, articles, books and internet websites.

KEYWORDS

film, incentives, production.

INTRODUCTION

India's film and television industry is one of the fastest growing sectors in the country today which has attracted significant investments from Indian and international corporates. With more than 135 million pay-TV households, 800 television channels and 1,000 films produced annually, the film and television industry contributed over INR 500 billion to the economy last year, constituting approximately 0.5% of the GDP of India. Overseas studios are increasingly entering into arrangements with producers in India to jointly produce films and television series. India's Foreign Direct Investment ('FDI') regulations permit 100 percent FDI in film and TV productions under the automatic route. India has been blessed with incredible cultural diversity, scenic locations, low production costs and trained film crews. Increased collaboration between India and other countries will certainly aid in optimizing the country realizing its true potential in terms of its natural and man-made resources.

OBJECTIVES

1. To study the various benefits associated with attracting film productions to a tourism destination
2. To study initiatives taken by various Indian states for attracting film productions.
3. To study various global success stories with regards to attracting tourists through films.

METHODOLOGY

The paper has been prepared by studying and analysing data from secondary sources including reports, articles, books and internet websites.

BENEFITS OF ATTRACTING FILM PRODUCTIONS TO A TOURISM DESTINATION

Film production is a very lucrative business if carried out properly and in proper locations. Moreover, it benefits the destination/location in several ways that has been widely accepted all over the world. From creating employment to propagating the tourism potentials of a destination, film productions have benefitted the destinations greatly.

The overall benefits of attracting film productions include:

- **Boost to the Tourism industry:** The host location is expected to gain visibility due to film production and associated publicity generated from it. Films shot at local locations tend to introduce the audience to the host destination/country's culture and bio diversity hence, attracts tourists.
- **Increased revenues for the Government:** In addition to employment opportunities, economic activities stimulated by film productions result in tax revenues for local or State Governments. The taxes collected by Central, State and local governments (e.g. personal Income Tax, State Value Added Tax, Excise duties, Service taxes, Custom duties, duties on fuel, Corporate Income Tax, local body taxes, etc) generally increase with higher film productions in the region. These taxes apply to film producers, their suppliers and cast and crew associated with the production. For example, State Value Added Tax shall get collected on local procurement of goods, central Service taxes shall be charged by cast and crew and duties and taxes paid by suppliers.
- **Creation of employment opportunities:** International / large film productions rely on local labour which helps boost employment opportunities and incomes in allied industries. The impact of "Teenage Mutant Ninja Turtles" on the allied industries include US\$ 3.2 million in taxes paid to New York, over US\$ 55 million in total spending throughout New York including US\$ 30 million in salaries New York labour. In just three days of shooting, the production paid wages to 155 crew members and further 1500 New York residents over 12,000 man-days.
- **Development of allied industries:** In the long run, film production enables additional production activity and a sustainable market place in the local economy, which results in the development of allied industries such as post production, travel, hospitality, catering, etc.
- **Exchange of cultural and technological expertise:** Films shot in foreign locations, result in collaborations between local and foreign enterprises and expose local production units/ crews to global standards of production practices. While such collaborations encourage knowledge-sharing, they also expose filmmakers to diverse cultures and nationalities.

However, all these benefits have not been availed by the film industry in Assam - be it due to lack of interest of filmmakers or due to lack of incentives. Despite the immense tourism potentials of the state, this media has not been fully exploited to attract more tourists to the state.

INITIATIVES BY INDIAN STATES FOR ATTRACTING FILM PRODUCTION

Key State Governments in India have recognized benefits of promoting their respective states by attracting Film productions and have initiated measures to attract both foreign and local filmmakers by offering production and tax incentives as highlighted below:

States	Fiscal benefits
Maharashtra	<ul style="list-style-type: none"> Mumbai, being the film hub of the country, has many film studios and hosts several film festivals. Additionally, the city has witnessed many iconic Indian movies being shot in it. The Maharashtra Government has provided a five-year tax exemption to single-screen theaters under municipal councils and a seven-year tax exemption to those located in rural areas. The Maharashtra Tourism Development Corporation (MTDC) has announced a Bollywood tourism plan, which will enable Indian and foreign tourists to take guided tours of film studios and sets while being exposed to a first-hand experience of film shooting. It has sanctioned INR 150 million for setting up of a film city in Chitranagari to serve as an alternative to the film city at Goregaon. Maharashtra was one of the Indian states that provided tax breaks to the film "Bhaag Milkha Bhaag" because of its patriotic theme.
Gujarat	<ul style="list-style-type: none"> The Gujarat Government offers 100% exemption from Entertainment Tax for Gujarati films. It also offers INR 5,00,000 subsidy to Gujarati-language filmmakers. The State Government has started a single-window clearance desk to help filmmakers scout locations and provide them with logistic support. It is working on a policy to attract more film shoots to the state and seeks to ease the procedures for film-makers. It also plans to provide discounts on government accommodation at shooting locations.
Andhra Pradesh	<ul style="list-style-type: none"> Andhra Pradesh is the first to earmark 7% of the Entertainment Tax it collects to use it to develop films and arts in the state. According to the Andhra Pradesh Government's Animation, Media and Entertainment policy (2014-2019), the Government will offer incentives, including reimbursement of INR 500,000, lease rentals, power subsidies, etc., to makers of animation films. The State Government has provided 7% concession on Entertainment Tax for low-budget Telugu films and 15% for high-budget ones.
Karnataka	<ul style="list-style-type: none"> The Karnataka Government has increased the award for national award-winning Kannada films from INR 3,00,000 to INR 5,00,000. Karnataka's Animation, Visual effects, Gaming & Comics policy (AVGC) aims to attract investors and provide employment in the state with various initiatives such as creating skilled labour at its training institutes and providing various tax incentives. The Government also plans to set up an AVGC Centre of Excellence with funding from The Central/State Governments and private players. The Government has decided to raise its subsidy to the Kannada film industry. The subsidy will now be given for 100 films instead of 75.
Tamil Nadu	<ul style="list-style-type: none"> The Tamil Nadu Government will provide 100% exemption from entertainment tax exemption on films with Tamil names, which have been given U certificates. The Government has spent INR 80 million on upgrading infrastructure at the M.G.R. Film City by setting up an animation and visual effects studio, renovating dubbing theaters, constructing hostels, etc.
Uttar Pradesh	<ul style="list-style-type: none"> Hindi films that are shot at least 75% in Uttar Pradesh will be eligible for a grant amounting to 25% of their production cost or INR 10 million (whichever is less). Films in the local dialects of Awadhi, Braj, Bundeli and Bhojpuri are to be given the same sops. Film directors selected for awards under this policy will be eligible for a grant of INR 12.5 million if they produce their next film in the state. The Uttar Pradesh Government gave INR 10 million to the producers of "Dedh Ishqiya" and "Bullet Raja" to attract other producers to the state. It has exempted "Dedh Ishqiya" from Entertainment Tax in the state.
West Bengal	<ul style="list-style-type: none"> The West Bengal Government is planning to introduce a single clearance window that will process requests for films to be shot in the state. New cinema halls will be given an Entertainment Tax subsidy for up to two years. New multiplexes will be given an Entertainment Tax subsidy for up to four years. The Government provides various subsidies for cinemas/ multiplexes. The Government has reduced Entertainment Tax on Bengali films (from 10% to 2%) to ease the financial burden on the Bengali film industry.
Jammu & Kashmir	<ul style="list-style-type: none"> The Jammu & Kashmir Government has decided to waive taxes for filmmakers while they shoot films in the state. The Kashmir Film Festival is held to support local Kashmiri films and promote tourism in Jammu & Kashmir. Films recently shot in Kashmir include "Yeh Jawaani Hai Deewani" and "Highway".
Rajasthan	<ul style="list-style-type: none"> Films that are 75% shot in Rajasthan and have been given U certificates will get a 100% exemption from Entertainment Tax for one year. Rajasthani films with U certificates are provided aid of INR 5,00,000 if they are shot extensively in Rajasthan. New cinema halls and drive-in theaters have been exempted from Entertainment Tax for three years – 75% in the first year, 50% in the second year and 25% in the third year. Foreign films shot in Rajasthan include "The Dark Knight Rises" and "Darjeeling Limited".
Goa	<ul style="list-style-type: none"> The International Film Festival of India is held annually at Goa. It sees the participation of various filmmakers from across the world and India. Goa already has a single window clearance system and permits films to be shot anywhere in the state. The Ministry of Information and Broadcasting has proposed that this system should be adopted by the rest of the country. The State Government is reviewing a proposal that will allow filmmakers to claim up to 5% of the shooting costs incurred by them in Goa. Goa is one of the most popular locations for shooting films in India. More than 100 films, including "Chennai Express", "Once upon a time in Mumbai Dobaara" and "Go Goa Gone", were shot in the state in the recent past.
Punjab	<ul style="list-style-type: none"> The Punjab Government is setting up a film city and a film institute near Mohali to promote the Punjabi film industry and also help filmmakers shooting films in the state. The Government gives Punjabi filmmakers a rebate of 5% of the Entertainment Tax to be paid by them, provided 75% of the dialogues are in Punjabi. The State Government plans to present exceptional filmmakers and actors with awards ranging from INR 1 million to INR 25 million. Additionally, it will set up one or two-screen cinemas in rural locations to enable local people to watch films.
Himachal Pradesh	<ul style="list-style-type: none"> The Himachal Pradesh Government offers 100% exemption from Entertainment Tax to filmmakers shooting their films in the state. The State Government is formulating a draft of its film tourism policy, which includes incentives for the film industry, e.g., single window clearance of permission requested to shoot films, facilitation of travel and accommodation during duration of stay, etc.

However, the scenario in Assam is totally dissatisfactory. There is a total dearth of incentives and sops for filmmakers to come and shoot their films in Assam, thereby depriving the region from immense possibilities with regards to encouraging tourist inflows.

FEW GLOBAL SUCCESS STORIES**“Life of Pi”**

Life of Pi was an American 3D live-action, computer animated adventure film, based on Yann Martel's 2001 novel by the same name, which was released in 2012. Around 70% of the film was shot in Taiwan, including at Taipei Zoo, an airport in Taichung and at the Kenting National Park. Some parts of it were shot in Puducherry and Munnar (a hill station in Kerala) in India.

Life of Pi was a hit in Taiwan, generating

Life of Pi was a hit in Taiwan, generating US\$17.5 million. Hotel occupancy in Taichung increased by 10% where Life of Pi was shot, benefitting from the visits of more than 300 foreigners and locals. After release of the film in 2013, the number of Australians visiting the country increased by a considerable 43% over 2012 figures. Life of Pi was partly shot in Puducherry and Munnar in Kerala. The film has attracted international tourists to these locations. To capitalize on this, India's Tourism Ministry and the Puducherry Government announced their plan to launch a “Land of Pi” campaign across all media channels, including print, online, electronic and outdoor, in 2013 in order to promote Puducherry and Munnar as tourist destinations.

“Krrish”

Krrish is an Indian science fiction film directed, produced and written by Rakesh Roshan in 2006. It is the second film in the Krrish series and is the sequel to Koi... Mil Gaya. More than 60% of the film has been shot in Singapore in prominent locations including the Singapore Zoo, the Gateway building and the Singapore National Library.

After the movie was released, the local people enthusiastically visited places with which they were already familiar. In addition, Indian visitors began looking at Singapore as a modern destination that is culturally and economically similar to the “new India” and the lifestyles of its middle-class diaspora. Immediately after the release of the film, annual Indian tourist traffic to Singapore increased from six to seven million.

“Zindagi Na Milegi Dobara”

Zindagi Na Milegi Dobara was an Indian film directed by Zoya Akhtar and produced by Excel Entertainment in 2011. Made on a budget of INR 550 million (US\$9.0 million), the movie was mainly shot in Spain and partly in India, Egypt and the UK.

The number of Indians visiting Spain surged after the release of the movie. According to Spain's Tourism Board, within six months of the release of the film, the number of Indian tourists to the country jumped by 65% to more than 1,15,000 in 2011, compared to 75,000 in 2010. There was an increase in the number of enquiries and booked holidays in Spain after its release. According to Spain's Tourism Board, the number of visas issued to Indians after the movie went up by 50%–60%.

Spain's Tourism Board received 600,000 enquiries from Indians on destinations shown in the movie, such as Costa Brava, Seville, Pamplona, Barcelona and Valencia, as well as about one of the sequences in the film, which featured the famous Tomatino Festival, and prompted people to time their visits during the festival. Tour operator SOTC introduced a seven-day Spain package, which included the La Tomatina Festival, to cater to people's demands.

The movie has been included as a case study for a course in marketing management in the country, which focuses on how Spain was marketed and portrayed as a product and how the film increased tourism.

“Dilwale Dulhania Le Jayenge (DDLJ)”

Dilwale Dulhania Le Jayenge (DDLJ) was an Indian film, which was released in 1995. It was written and directed by debutante director Aditya Chopra and produced by his father Yash Chopra. The film was shot in India, London and Switzerland.

The success of DDLJ gave a major fillip to tourism in Europe, particularly to Switzerland. There is a strong co-relation between Indian movies and the number of Indian tourists visiting Switzerland. Between 1993 and 2010, the number of annual overnight stays of Indian tourists in the country increased from 71,000 to 393,000. In 2010, Yash Raj Films entered an agreement with SOTC, a part of the Kuoni Travel Group in India, and Brandinvest AG, a Switzerland-based company. They came together to provide a tour package, YRF Enchanted Journey to enable people visiting Switzerland to see the filming locations of famous Yash Raj films including DDLJ, Mohabbatein, Veer-Zaara, Chandni, Darr and Bachna Ae Haseeno.

Over the past three decades, several Bollywood movies have been shot in the northeast India - Dil Se (1998), Tango Charlie (2005), Bum Bum Bole (2010), Mary Kom (2014), Aisa Yeh Jahaan (2014), Koylee (1997), Ek Pal (1986), Kurbaan (1991), Saaya (2003), Daman (2001), Rock On!! 2 (Releasing 2016) and Rangoon (Releasing 2016). Fewer were partially shot in Assam - Dil Se (1998), Ek Pal (1986), Aisa Yeh Jahaan (2014) and Daman (2001). These films failed to reflect the beauty or tourism potentials of the state, apart from miserably failing commercially.

CONCLUSION

The Film industry in Assam is over 80 (eighty) years old, but still Assamese films have not been able to create a curiosity or desire in the minds of people, outside the state or outside the country, to visit the state. Moreover, national and international filmmakers are also not interested in producing good commercial films in the state. A prominent reason for this indifferent attitude of filmmakers towards Assam can be associated with the total lack of SOPs or incentives to be provided by the state government to various filmmakers, like the other states in India. Another reason might be the lack of true interest of the state authorities to attract and invite filmmakers across the nation or the globe to showcase the tourism potentials of Assam through their films. Another reason that frequently arises in the minds of anybody having a little knowledge about Assam, is Terrorism. People outside the Northeast India have the notion that the state of Assam is engulfed in terrorist activities and the region is very hostile.

Whatever the reason, there is a lot that the state authorities can do in this regard. Steps can be taken to attract film productions from national and international filmmakers by offering incentives. Moreover, the local filmmakers can also be motivated to produce films propagating the tourism potentials of the state. A positive attitude and a proper understanding of the benefits of film production to a tourism destination, are the important factors that can lead to reaping the benefits that other destinations across the world have enjoyed and are enjoying consistently.

REFERENCES

1. “Chiranjeevi Announces Campaign “Land of Pi”,” Press Information bureau, <http://pib.nic.in/newsite/erelease.aspx?relid=91510>, accessed 21 July 2014.
2. “The Legacy of Pi,” Taiwan Today, <http://taiwantoday.tw/ct.asp?xItem=201777&CtNode=124>, accessed 14 July 2014; “Taiwan credits Ang Lee's Life of Pi filming for Australian tourism boost,” The Location Guide, <http://www.thelocationguide.com/blog/2013/05/ng-film-tourism-taiwan-creditsang-lee%E2%80%99s-life-of-pi-filming-for-australian-tourism-boost/>, accessed 20 July 2014.
3. FICCI-KPMG Indian Media and Entertainment Industry Report 2014
4. <http://pib.nic.in/newsite/erelease.aspx?relid=94685>
5. <http://www.tourism.gov.in/writereaddata/Uploaded/Guideline/080320121058581.pdf>
6. <http://sevendary.com/top-bollywood-films-shot-north-east-india/>.
7. <http://www.nelive.in/north-east/entertainment/upcoming-bollywood-films-showcasing-northeast-india>.
8. Ministry of Information & Broadcasting, Government of India - <http://mib.nic.in/WriteReadData/documents/flm1.pdf> Oscars 2013: Asia Celebrates Ang Lee's Best Director Win, accessed 18 July 2014.
9. Switzerland for Movie Stars,” Swiss Tourism, http://www.filmlocation.ch/uploads/indian_films.pdf?bcsi_scan_debb0e326e6a7dd8=0&bcsi_scan_filename=indian_films.pdf, accessed 24 July 2014.
10. The location power of Bollywood,” The Location Guide, <http://www.thelocationguide.com/blog/2009/11/the-location-power-of-bollywood/>, accessed 14 July 2014; “Singapore gears up to encash Krrish,” The Economic Times, http://articles.economictimes.indiatimes.com/2006-06-26/news/27426133_1_singapore-tourism-board-assistant-chief-executive-indian-film-makers, accessed 14 July 2014.
11. Tourism Office of Spain targets 40 per cent growth in Indian arrivals for 2011, Travel Business Monitor, <http://www.travelbizmonitor.com/tourism-office-of-spain-targets-40-per-cent-growth-in-indian-arrivals-for-2011-14550>, accessed 16 July 2014.

ENHANCEMENT OF EMPLOYEE PERFORMANCE THROUGH COMPETENCY MAPPING IN IT SECTOR – AN EMPIRICAL ANALYSIS

DR. BEULAH VIJI CHRISTIANA. M
PROFESSOR
MBA DEPARTMENT
PANIMALAR ENGINEERING COLLEGE
POONAMALLEE

ABSTRACT

In this current scenario of globalization, the workplace requires business practitioners to acquire a new set of knowledge, skills, and attitudes to face the diversity and complication of the new business environment successfully. Competency Mapping is a process to identify key competencies for an organization or a job and incorporating those competencies throughout the various processes (i.e. job evaluation, training, recruitment) of the organization. A competency is defined as a behavior (i.e. communication, leadership) rather than a skill or ability. IT Industry, being a knowledge-based industry needs a high level of intellectual capital which in turn will lead to the competitive advantage of a firm. With a global explosion in market-opportunities in the IT sector, the shortage of adequate manpower both in numbers and skills is considered to be a prime challenge. The related issues are varied indeed: recruitment of world-class workforce and their retention, compensation and career planning, technological obsolescence and employee turnover. Therefore, many IT Companies in India are interested in knowing the present skill level of their employees so that training can be given to improve their performance. This paper is an attempt to identify the significant role played by competency mapping for professionals in IT Industry which in turn will contribute to the purpose of enhancement of skills which in turn will led to organizational productivity. Rapid and unpredictable technological changes and the increased emphasis on quality of services are compelling IT businesses to recruit adaptable and competent employees. The research design adopted is descriptive. Around 110 employees were taken as sample from 3 reputed IT Organizations and Convenience sampling method is adopted. Primary data is collected using a structured questionnaire. Various Statistical techniques like weighted average method, Kolmogorov Smirov, Mann Whitney U test, One Way Anova, percentage analysis, interval estimation etc. are adopted.

KEYWORDS

IT sector, competencies, skills.

INTRODUCTION

The Information technology industry in India has gained a brand identity as a knowledge economy due to its IT sector. As global business competition shifts from efficiency to innovation and from enlargement of scale to creation of value, management needs to be oriented towards the Strategic use of human resources. The ability of companies to effectively carry out competency based human resources management. HRM is becoming more and more crucial for their survival which are important to address with the changing nature of organizations. The modern world which is highly complex is characterized by scarcity of resources and it has become the first and foremost objective of every business person to use the available resources efficiently and in best way. Among the various resources like land, labour and capital the resource which need to be given special concentration is the human resource because they contribute directly to the managerial productivity which is characterized by maximizing returns and minimizing wastages.

Man power, both technical and managerial, is the most important resource of organization. All the other factors cannot be utilized efficiently without manpower. But the critical aspect that is involved in the management of human resources is its difficulty to manage. The reason for this difficulty is that each person is characterized and endowed with different qualities, skills, attitudes, motives, knowledge etc. Besides this, these factors also have an imperative impact on their performance. Employee competency is an intangible resource and this is the only resource which can take a company forward and not its physical and financial assets. Global firms after the lapse of considerable time have realized that it is the employee competencies which can guarantee all turbulence, odds and vicissitudes in the business.

Competency mapping is a process of identification of competencies required to perform a given set of activity, role or a job at given point of time In other words it is comprehensive list of competencies which a star performer possesses, along with their level of possession. In short, competency mapping is the list of competencies required to be possessed to excel in a particular job. It also displays, whether a competency is critical or supporting competency for a person to do the job at particular post. Critical Competencies are the competencies that are very vital in a person. They are critically important, and in their absence, the person could not perform the job successfully. They play a complimentary role in the performer. Companies are vastly shifting their approach of having multi-skilled employees with knowledge of only one skill. The competence approach focuses on linking business strategies to individual performance efforts. The various competencies that are identified to be critical for employee performance are the technical, managerial and human competencies. It is in this scenario the study has been carried out to identify the significance of competency mapping towards the productivity of the organization and the overall employee growth thereby leading to the accomplishment of the objectives of both the employees and the organization.

REVIEW OF LITERATURE

- **Manasi.D. Parikh (2014)** in his study emphasized on the fact that competency mapping helps in managing human capital in an efficient manner. The paper explains certain managerial, functional and behavioral competencies of sales managers in the retail industry. The paper supports relationship between the competency and the performance for sales professional in retail sector
- **Jaideep Kaur & Vikas Kumar (2013)** identified the extent to which competency mapping would help in analyzing the gap in required skill and could be worked upon improve the level of competency. The competencies of managers from three different levels of management were measured with the help of questionnaire and gap was analyzed. The study concluded with the fact that the managers in higher levels lacked technical skills compared to middle level managers. Planning skills and leadership skill were found to be missing in middle and first level managers. The implementation of the study stressed the fact that competency mapping would focus on the gap that are essential for the required job and hence can be improved by training.
- **Vikram Singh Chouhan (2013)** in his study attempts to develop a competency mapping model for HR professionals in IT Industry for the purpose of Training Need Assessment. Rapid and unpredictable technological changes and the increased emphasis on quality of services are compelling IT businesses to recruit adaptable and competent employees. At the top of the competency model are five roles, or lenses, through which HR practitioners can view the model: Strategic partners, Administrative experts, Employee champions, Change agents and HR experts.
- **Vijaya Mani (2013)** in her research undertook the primary objective of creating an effective system for assessing the competencies of the employees. The system has also been used in the research to assess the competency levels of the executives in one of the renowned Auto Component Manufacturing Organization in Tamil Nadu India. Special emphasis is given on Technical and Behavioral competencies along with their desired levels. Based on this, With the desired and actual levels, a Gap Analysis was done to identify the gaps in competencies and training programs were suggested to bridge the gap
- **Dr.P. Suguna and T. Tamil Selvi (2013)** in their study narrated the aim of competency mapping of an organization and its influence on the performance of the organization. ANOVA test also confirmed that competency mapping had an influence on the performance of the organization. The study mainly focused on the benefits of competency mapping in the organization.

- **Dr. V. K. Jain (2013)** made a detailed study and made a gap analysis in the actual and desired skills and assess the training needs of the employees. This in turn will help to improve the performance of the employees in general and provide information to the company about the skills they possess which will ensure development of promotional strategies within the company. The parameters were derived from the Job roles, HR policies and Key Result Areas (KRAs).
- **R. Yuvaraj (2011)** in his study emphasized on the fact that competency mapping should not be seen as rewards. All the stakeholders must exercise an opportunity for long-term growth. Competency mapping is not only done for Confirmed employees of an organization and it can also be done for contract workers or for those seeking employment to emphasize the specific skills which would make them valuable to a potential employer.

SIGNIFICANCE OF THE STUDY

The significance of the study lies on the fact that the employees will be able know their respective roles, key competencies and helps in bridging the gap between existing and desired competencies of the employees through necessary training. This is because competency mapping is required to reinforce corporate strategy, culture, and vision. Competency Mapping establishes expectations for performance excellence, resulting in a systematic approach to professional development, improved job satisfaction, and better employee retention. It increases the effectiveness of training and professional development programs by linking them to the success criteria. It provides a common understanding of the scope and requirements of a specific role. All these aspects will contribute to the accomplishment of the organizational goals and helps the organization to become more productive.

OBJECTIVES OF THE STUDY

1. To know the opinion of respondents towards the significance of competency mapping in enhancing individual and organizational performance.
2. To study the various technical, managerial and human competencies required for the job.
3. To analyse the influence of competency mapping on training and development of employees towards organizational performance
4. To identify the methods that are effectively used to bridge the gap between existing and desired competencies

HYPOTHESES

H01: There is no significant difference in the opinion of the employees towards possession of technical, managerial and behavioral competencies for effective job performance

H02: There is no significant difference between the attributes of human competencies towards effective job performance

H03: There is no significant difference between the contributing factors towards helping the organization in identifying the employee competencies.

H04: There is no significance difference in the methods towards bridging the gap between existing and desired competencies.

RESEARCH METHODOLOGY

Research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

TYPE OF RESEARCH DESIGN: The type of research design adopted in this study is **Descriptive Research**. Descriptive research includes surveys and fact finding enquiries of different kinds and it can report only what has happened. The purpose of the research is description of the state of affairs as it exists at present. Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, when, where and how.

SAMPLING METHOD: The sampling method used in this study is Convenience Sampling which is a non - probability Sampling method.

SAMPLE SIZE: Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. The sample size for the study is 110 which is finalized through a pilot study.

DATA COLLECTION: Data collection is a systematic approach to gathering information from a variety of sources to get a complete and accurate picture of an area of interest. In this study responses are collected through two different sources. The sources of data collection are Primary data collection and Secondary data collection. Primary data are collected through a structured questionnaire and schedules. Secondary data are collected through journals, magazines etc.

TABLE 1.1: COMPETENCY MAPPING IS VITAL FOR ACCOMPLISHMENT OF INDIVIDUAL AND CORPORATE OBJECTIVES

S.NO	YES/NO	NO. OF RESPONDENTS	PERCENTAGE
1	Yes	100	90.9
2	No	10	9.1
Total		110	100

From the above table it is found that 91% of respondents feel that competency mapping is vital for accomplishment of individual and corporate objectives and 9 % feel that competency mapping is not vital for accomplishment of individual and corporate objective. It can therefore be inferred that most of the respondents (i.e) 91% feel that competency mapping is vital for accomplishment of individual and corporate objectives

CONFIDENCE INTERVAL

Given:

Yes=100, No=10

p=100/110; **p=0.91**

q=1-p: **q=0.09**

$$\text{Confidence Interval} = [P \pm z_{\frac{\alpha}{2}} \sqrt{\frac{pq}{n}}]$$

Where, p = No of Success = 0.91

q = No of Failure = 0.09

n = No of respondents = 110

$z_{\alpha/2}$ = Confidence Level = 1.96

Solution

$$\text{Standard error} = \sqrt{\frac{pq}{n}} = \mathbf{0.027}$$

Estimation

$$\text{Confidence Interval} = [P \pm z_{\frac{\alpha}{2}} \sqrt{\frac{pq}{n}}]$$

$$= [0.91 \pm 1.96 * (0.027)]$$

$$= [0.91 \pm 0.053]$$

$$= \mathbf{[0.857, 0.963]}.$$

CONCLUSION

It can therefore be concluded that the respondent's opinion towards competency mapping is vital for accomplishment for individual and corporate objectives lies in the rank of 0.857 and 0.963 in the sample statistics and it is found to be in the range of 85.7% and 9.63% in the population parameter respectively

TABLE 1.2

S.NO	OPINION	NO.OF RESPONDENTS	PERCENTAGE
1	Yes	70	64
2	No	40	36
Total		110	100

From the above table it is evident that 64% of respondents are of the opinion that their competency level is improved after joining the organization and 36% of respondents says that their competency level is not improved after joining the organization.

CONFIDENCE INTERVAL

$$p=70/110; p=0.63$$

$$q=1-p; q=0.37$$

$$\text{Confidence Interval} = [P \pm z_{\frac{\alpha}{2}} \sqrt{\frac{pq}{n}}]$$

Where, p = No of Success = 0.63

q = No of Failure = 0.37

n = No of respondents = 110

$z_{\alpha/2}$ = Confidence Level = 1.96

Solution

$$\text{Standard error} = \sqrt{\frac{pq}{n}} = 0.0460$$

Estimation

$$\text{Confidence Interval} = [P \pm z_{\frac{\alpha}{2}} \sqrt{\frac{pq}{n}}]$$

$$= [0.63 \pm 1.96 * (0.0460)]$$

$$= [0.91 \pm 0.09016]$$

$$C.I = [0.53, 0.72]$$

It can therefore be concluded that the respondent's opinion towards improvement of competency level after joining the organization lies in the rank of 0.53 and 0.72 in the sample statistics and it is found to be in the range of 0.53 and 0.72 in the population parameter respectively

INFLUENCE OF COMPETENCY MAPPING ON CAREER GROWTH AND DEVELOPMENT OF EMPLOYEES

TABLE 1.3

S.NO	OPINION	NO. OF RESPONDENTS	PERCENTAGE
1	Strongly agree	25	23
2	Agree	32	29
3	Neutral	28	25
4	Disagree	14	13
5	Strongly disagree	11	10
TOTAL		110	100

From the above table, it is identified that 23% of respondents strongly agree with the fact that competency mapping contributes to the career growth and development of employees, 29% of the respondents agree in this regard, 25% of the respondents have a neutral opinion. 13% and 10% of the respondents have a negative opinion towards the fact that competency mapping contributes to the career growth and development of employees

INTERPRETATION: It is therefore inferred that majority of respondents (i.e) 52% have a positive opinion that competency mapping contributes to the career growth and development of employees.

H_0 : Requirement of managerial, human and technical competencies for job performance does not follow normal distribution.

H_1 : Requirement of managerial, human and technical competencies for job performance follow normal distribution.

TABLE 2.1: REQUIREMENT OF MANAGERIAL, HUMAN AND TECHNICAL COMPETENCIES FOR JOB PERFORMANCE- KOLMOGOROV SMIRNOV TEST

Expected frequency = 22

Observed frequency	45	32	25	5	3
Expected frequency	22	22	22	22	22

Observed Frequency	Cumulative Frequency	Relative Frequency(q)	Expected Frequency	Cumulative Frequency	Relative Frequency(p)	KS= p-q
45	45	0.40	22	22	0.2	0.2
32	77	0.7	22	44	0.4	0.3
25	102	0.92	22	66	0.6	0.32
5	107	0.97	22	88	0.8	0.17
3	110	1	22	110	1	0

Level of significance:

$$\alpha=0.05$$

$$\text{Test statistics: } D_n = \max |F_e - F_o|$$

$$\text{Calculated value} = 0.32$$

$$\text{Table value @ } 0.05 = 0.510$$

$$\text{Calculated value} < \text{Table value}$$

$$0.32 < 0.510$$

Therefore, H_0 is accepted.

Hence it can be concluded that Requirement of managerial, human and technical competencies for job performance does not follow normal distribution.

TABLE 2.2: COMPETENCY THAT IS CONSIDERED TO BE VITAL FOR JOB ACCOMPLISHMENT

COMPETENCIES	NO. OF RESPONDENTS	PERCENTAGE
Technical competency	25	23
Managerial competency	35	32
Human competency	20	18
All the above	30	27
TOTAL	110	100

From the table below it was found that 23% of respondents suggest technical competency are to be vital for job accomplishment, 32% of respondents are of the opinion that it is the managerial competency, 18% think that human competency is vital for effective performance and 27% of respondents suggest that all the three competencies are to be vital for job accomplishment in the organization. It can therefore be identified that managerial competencies are vital for job accomplishment in the organization (i.e) **32%**.

TABLE 2.3: IMPORTANCE OF HUMAN COMPETENCIES VITAL FOR JOB PERFORMANCE

HUMAN COMPETENCIES	VERY HIGH	HIGH	MODERATE	LOW	VERY LOW	WEIGHTAGE	RANK
Assertiveness	23	18	24	28	17	22.1	3
Integrity	12	16	26	35	21	19.5	5
Self-reliance	21	15	31	23	20	21.6	4
Mental stability (A)	29	30	31	6	14	25.6	1
Interpersonal skills (B)	21	35	8	34	12	23.2	2
Total	106	114	120	126	84		

MANN-WHITNEY U-TEST

Series	Responses	Rank
B	8	1
A	6	2
B	12	3
A	14	4
B	21	5
A	29	6
A	30	7
A	31	8
B	34	9
B	35	10

$$n_1 = 5, n_2 = 5$$

$$R_1 = 2+4+6+7+8 = 27$$

$$R_2 = 1+3+5+9+10 = 28$$

Null Hypothesis: $H_0: \mu_1 = \mu_2$

H_0 : There is no significance difference between the attributes of human competencies towards effective job performance

H_1 : There is a significance difference between the attributes of human competencies towards effective job performance

$$Z = (11 - 12.5) / 4.78 = -0.313$$

$$\text{Calculated Value} = |Z| = 0.313$$

Level of significance is 95% ; $\alpha = 0.05$

Table Value = 1.96

Calculated Value < Table Value

$$0.313 < 1.96$$

Accept H_0 . It can therefore be concluded that there is no significance difference between the attributes of human competencies in their contribution towards effective job performance.

TABLE 2.4: MANAGERIAL COMPETENCY REQUIRED FOR EFFECTIVE PERFORMANCE

MANAGERIAL COMPETENCIES	R1	R2	R3	R4	R5	R6	R7	WEIGHTAGE	RANK
Holistic approach	40	27	12	8	10	7	6	20.85	2
Broader organization outlook	12	11	16	27	13	19	12	15.25	7
Presentation skills	18	24	12	24	13	9	10	17.6	4
Decision making skills	28	24	16	12	10	12	8	18.9	3
Negotiation skills	16	12	23	18	20	8	13	16.42	6
Listening skills	38	28	22	10	7	3	2	21.89	1
persuasiveness	24	18	10	16	12	13	17	16.75	5

It is therefore concluded that Listening skills are vital for enhancing managerial competency as it is ranked 1st by majority of respondents. Holistic approach is ranked 2nd followed by Decision making skills, Presentation skills, persuasiveness and Negotiation skills which are ranked 3,4,5,6 respectively. Broader organization outlook occupies the last position.

TABLE 2.5: ROLE OF CONTRIBUTING FACTORS THAT HELP IN IDENTIFYING THE REQUIRED COMPETENCIES -ONE WAY ANNOVA

CONTRIBUTING FACTORS	HIGHLY EFFECTIVE	EFFECTIVE	NEUTRAL	INEFFECTIVE	HIGHLY INEFFECTIVE	TOTAL
Motivation	44	20	13	17	16	110
Leadership	23	15	16	34	22	110
Undertake challenging task	58	10	14	12	16	110
Positive outlook	19	28	24	22	17	110
communication	30	27	28	13	12	110

H_0 : There is no significant difference between the contributing factors towards helping the organization in identifying the employee competencies.

H_1 : There is a significant difference between the contributing factors towards helping the organization in identifying the employee competencies.

CONTRIBUTING FACTORS	HIGHLY EFFECTIVE	EFFECTIVE	NEUTRAL	INEFFECTIVE	HIGHLY INEFFECTIVE
Motivation	44	20	13	17	16
Leadership	23	15	16	34	22
Undertake challenging task	58	10	14	12	16
Positive outlook	19	28	24	22	17
Communication	30	27	28	13	12
Column total	174	100	95	98	83
ni	5	5	5	5	5
Ci ²	30276	10000	9025	9604	6889
Ci ² /ni	6055.2	2000	1805	1920.8	1377.8

$$\sum ci = 550 = G$$

$$\sum i^2/ni = 13158.8 \sum ni = 25 = N$$

$$N=25 \quad C=5 \quad G=550$$

- $C.F = G^2/N = 12100$
- $\sum \sum Xij^2 = 44^2 + \dots + 12^2 = 14980$
- $TSS = \sum \sum Xij^2 - C.F = 14980 - 12100 = 2880$
- $CSS = \sum Ci^2/ni - C.F = 13158.8 - 12100 = 1058$

Source Variation	Sum of squares	d.f	Mean of squares	Calculated F=Greater/Smaller
B/w Effectiveness of competency mapping	CSS=1058	C-1=4	M1=CSS/C-1=1058/4=264.5	F=M1/E=264.5/91.1=2.903 CV
Factors	ESS=1822	N-C=20	E=ESS/N-C=1822/20=91.1	

$$ESS = TSS - CSS = 2880 - 1058 = 1822$$

$$d.f = (Y_1, Y_2) = (Nrd, Drdf) = (4, 20)$$

Table value at α (5%) = 2.87 [From the 5% table]

$$C.V > T.V$$

$$2.903 > 2.87$$

Reject H_0 . There is significant difference between the factors towards helping the organization in identifying the employee competencies.

TYPE OF TRAINING PREFERRED IN IMPROVING COMPETENCIES

TABLE 3.1

S.NO	TRAINING	NO. OF RESPONDENTS	PERCENTAGE
1	On -the job training	65	59
2	Off -the job training	45	41
Total		110	100

From the above table it is found that 65% of respondents feels competencies can be best improved through On -the job training and 45% feels competencies can be best improved through off -the job training. It can therefore be concluded that majority of the respondents have a positive opinion that competencies can be enhanced effectively by On-the – Job training methods.

TABLE 3.2: TRAINING PROGRAM THAT LEADS MORE TO COMPETENCY ENHANCEMENT

TRAINING PROGRAMS	R1	R2	R3	R4	R5	TOTAL	RANK
Leadership	24	16	26	32	12	22.5	3
Expediting (follow up)	19	25	32	18	16	22.86	2
Apprenticeship	16	8	42	15	29	19.8	5
Technical	28	31	15	12	24	23.8	1
Vestibule	22	19	10	39	20	20.93	4

It is evident through the above table that technical training is the highly preferred training program for improving competencies as it is ranked 1st by majority of the respondents which is followed by expediting training which is ranked 2nd. Leadership training and Vestibule training are ranked 3rd and 4th respectively and apprenticeship training occupies the last position since it is ranked 5th.

IMPACT OF BRIDGING COMPETENCY GAP ON ORGANIZATIONAL PERFORMANCE

TABLE 4.1

S.NO	OPINION	NO. OF RESPONDENTS	PERCENTAGE
1	Yes	75	68
2	No	35	32
Total		110	100

The table above depicts that 68% of respondents feel that bridging the competency gap is essential for organizational performance and 32% feels that bridging the competency gap is not essential for organizational performance. It can therefore be inferred that bridging competency gap is vital for organizational performance.

TABLE 4.2: METHODS ADOPTED IN BRIDGING THE GAP BETWEEN EXISTING AND DESIRED COMPETENCY ON THE BASIS OF EFFECTIVENESS CHI SQUARE TEST

METHODS	VERY HIGH	HIGH	MODERATE	LOW	VERY LOW	TOTAL
Appropriative delegation	18	26	25	23	18	110
Optimistic attitude	28	26	12	18	26	110
Give clear guidelines for success	26	22	14	23	25	110

S.No	O _i	E _i	(O _i -E _i)	(O _i -E _i) ²	(O _i -E _i) ² / E _i
1	18	24	-6	36	1.5
2	26	24.66	1.34	1.79	0.072
3	25	17	8	64	3.76
4	23	21.33	1.67	2.78	0.13
5	18	23	-6	36	1.5
6	28	24	1.34	1.79	0.072
7	26	24.66	8	64	3.76
8	12	17	1.67	2.78	0.13
9	18	21.33	-6	36	1.5
10	26	23	1.34	1.79	0.072
11	26	24	8	64	3.76
12	22	24.66	1.67	2.78	0.13
13	14	17	-6	36	1.5
14	23	21.33	1.34	1.79	0.072
15	25	23	8	64	3.76
$\sum (O_{ij}-E_{ij})^2/E_{ij}=$					21.7212

H₀: There is no significance difference in the methods towards bridging the gap between existing and desired competencies.

H₁: There is significance difference in the methods towards bridging the gap between existing and desired competencies

$\alpha = 5\%$

Degree of freedom = (C-1)*(r-1) = 8

Table Value = 21.026

Calculated Value = 21.7212

Calculate Value > Table Value

21.7212 > 21.02

Reject H₀ It can therefore be concluded that there is a significance difference in the opinion towards the methods towards bridging the gap between existing and desired competencies.

TABLE 4.3: FACTORS THAT CONSTITUTE TOWARDS BRIDGING COMPETENCY GAP

FACTORS	R1	R2	R3	R4	R5	WEIGHTAGE	RANK
Motivation	23	16	31	29	11	22.73	3
Leadership styles	32	26	21	17	14	25.00	1
T&D Activities	24	22	33	18	13	23.73	2
Effective communication	13	19	27	28	23	20.06	5
Teamwork	18	21	24	29	18	21.46	4

Therefore, it is concluded that leadership styles are considered to be the main factor that constitutes more towards bridging competency gap as it is ranked 1st by majority of respondents followed by training and development activities which is ranked 2nd. Motivation and Teamwork are ranked 3rd and 4th respectively. Effective communication occupies the least position.

SUMMARY OF FINDINGS

The study revealed that 91% of the respondents are of the opinion that competency mapping is vital for accomplishment of individual and corporate objectives. The respondent's opinion towards competency mapping is vital for accomplishment for individual and corporate objectives lies in the rank of 0.857 and 0.963 in the sample statistics and it is found to be in the range of 85.7% and 9.63% in the population parameter respectively. Majority of the respondents are of the opinion that their competency level is improved after joining the organization. The respondent's opinion towards improvement of competency level after joining the organization lies in the rank of 0.53 and 0.72 in the sample statistics and it is found to be in the range of 0.53 and 0.72 in the population parameter respectively. Around 52% of the employees are of the opinion that competency mapping contributes to their career growth and development.

The study revealed that there is no significance difference between the attributes of human competencies in their contribution towards effective job performance. Listening skills are found to be vital in enhancing managerial competencies. There is significant difference between the factors towards helping the organization in identifying the employee competencies. As per the study On -the -Job training method is supposed to have wide acceptance. It is found that technical training is the highly preferred training program for improving competencies as it is ranked 1st by majority of the respondents. Nearly 68% of respondents feel that bridging the competency gap is essential for organizational performance. There is a significance difference in the opinion towards the methods towards bridging the gap between existing and desired competencies. Leadership style is found to be the most significant contributing factor in bridging the competency gap.

CONCLUSION

In a complex scenario which is witnessed by rapidly changing skill sets of employees and job requirements, it has become an increasingly difficult to change skill sets in order to meet the job requirements. The major challenge for organizations is that it need to analyze employee competencies using various effective methods. Improving job performance, from an organization perspective competency mapping helps to reduce training costs as it is helpful in identifying only those employees who needs training. Thus the study has made an attempt to identify the opinion of the employees towards the significance of competency mapping, measures that are undertaken to bridge the competency gap, influence of technical, managerial and behavioral competencies towards employee performance in enhancing individual and organizational objectives.

Employees have a strong opinion that competency mapping is vital for enhancement of individual and organizational performance. Moreover, it is also found to have a strong impact on the career growth and development of employees. They also agree towards the fact that their competencies have greatly increased after joining the organization. Since all the attributes of human competencies are found to have a similar impact all the attributes of human competencies deserve special attention. Listening skills are found to have a predominant impact in enhancing managerial competencies and therefore special focus can be given in this regard. Appropriate and effective methods may be adopted to bridge existing and desired competencies. In short, competency mapping if done more effectively is sure to enhance the productivity of the organization quantitatively and qualitatively.

REFERENCES

JOURNALS

1. Dr. V. K. Jain, "Competency Mapping in Indian Industries - A Case Study", *International Journal of Emerging Research in Management and Technology*, Vol.2, Issue.10, ISSN: 2278-9359, Oct 2013
2. Dr.P. Suguna and T. Tamil Selvi, "Competency Mapping – A drive for garment firms in Tirupur District", *International Journal of Scientific and Research Publications*, Vol.3, No.5, May 2013

3. Jaideep Kaur & Vikas Kumar, "Competency Mapping: A Gap Analysis", *International Journal of Education and Research*, Vol.1, No.1, January 2013
4. Manasi.D. Parikh, "Improving Effectiveness of Retail Sector through Competency Mapping of Sales Managers", *Indian Journal of Applied Research*, Vol.4, Issue 10, Oct 2014, ISSN:2249-555X, Pp 328-330
5. R. Yuvaraj, "Competency Mapping – A drive for Indian Industries", *International Journal of scientific and Engineering Researc*, Vol. 2, Issue 8, August-2011, ISSN 2229-5518
6. Vijaya Mani," Assessing the Competencies and developing a Competency Mapping System for managing Talent" *International Journal of Scientific Research*, Vol.8, Issue.1,2013, ISSN: 1832-1011
7. Vikram Singh Chouhan, "Competency Mapping for HR Professionals in IT Industry", *The International Journal of Management*, Vol.2, Issue.3, June 2013

WEBSITES

8. www.acmeintellects.org
9. www.iiste.org
10. www.ijed.informaticspublishing.com
11. www.ijsr.com
12. www.ijser.org
13. www.literatipublishers.com
14. www.theijm.com

A STUDY ON CONSUMER PERCEPTION OF THE PURCHASE DECISION TOWARDS TWO WHEELERS - WITH SPECIAL REFERENCE TO RAYALASEEMA REGION IN ANDHRA PRADESH

DELLI KUMAR. KOTI

RESEARCH SCHOLAR

DEPARTMENT OF MANAGEMENT STUDIES

SVU COLLEGE OF COMMERCE MANAGEMENT & COMPUTER SCIENCES

S. V. UNIVERSITY

TIRUPATI

DR. P. BALAJI PRASAD

VICE PRINCIPAL & RESEARCH SUPERVISOR

DEPARTMENT OF MANAGEMENT STUDIES

SVU COLLEGE OF COMMERCE MANAGEMENT AND COMPUTER SCIENCES

S.V. UNIVERSITY

TIRUPATI

ABSTRACT

In an era of increasing global competition, "consumer perception" remains a research topic of strong interest for both academic and market researchers alike. The focus of this research is to study the consumers' awareness, preferences and purchase decision of two wheelers in Rayalaseema region cities like Tirupati, Anantapur, Kadapa and Karnool. Also, the study aims to examine the influence of regions on consumer's perception on their preference, attitude, decision making and satisfaction. A survey was conducted and 400 completed questionnaires were used in data analysis; 100 in each four cities. The finding reveals that the perception of consumers towards the two wheeler purchase decision differ widely. The researcher finds that "region" effect is an in substantial factor in two wheeler users' evaluation. Other factors such as promotional schemes, Performance, utilitarian benefits, personal factors and value added benefits were perceived by consumers in four cities as more important than regions. Thus the overall findings of the study provide implications for marketers and manufacturers of two wheelers.

KEYWORDS

consumer perception, purchase decision, demographics, region, satisfaction, performance.

INTRODUCTION

A decision is the selection of an action from two or more alternative choices. Constantly consumers make decision regarding the choice, purchase, use of products and services. They face a lot of dilemma at the time of taking a purchase decision. Thus it is a process by which the consumers identify their needs, collect information, evaluate alternatives and make purchase decision. These decisions are useful to both marketers and policy makers. This study throws light on the perception of consumers towards the purchase decision of two wheelers in India. Today, the two wheelers industry plays a significant role in the Indian economy. India is the second largest two wheeler market in the world, fourth largest commercial vehicle market in the world, the 11th largest passenger car market in the world and is expected to become the 7th largest by 2016. (Source: Society of India Automobile Manufacture, SIAM). The two wheeler market in India comprises of 3 types of vehicles namely motorcycles, scooters and mopeds. Foreign collaboration has been playing a major role in the growth of Indian Two Wheeler Market. (Venela.G. 2009).

Women play a significant role in the domestic and socio-economic life in the society. In India over the years, both female and male roles have been changing. Now a day's women are playing different role of chief purchasing officer and controlling 85% of buying decisions. Certainly in male dominated societies many goods and services are actually decided and purchased by women. This is due to increasing literacy, independent income and role in the family. Significantly, the two wheeler has become a valuable support for them to increase their income, besides personal transportation. Realising this latent demand, the two Wheeler companies are competing hard with each other to cater the needs of women consumers. Many special promotional schemes are used by the manufacturers to reach the women consumers in both large cities and rural areas. Evidently, there is a decline of almost 8% in two wheeler sales during 2011-12. The motorcycle segment declined by 12%. At the same time, the scooter segment grew by 11% in the year 2011 – 12. The industry sold more gearless scooters. (Business standard, 2013). It was observed that more than 6% of all two wheeler buyers in the country are women. So many companies are targeting women to boost their two wheeler sales. Now-a-days they are coming up with latest technology models, new designs, new features, cutting edge technology etc. Hence it is necessary to study the perception of women consumers regarding the purchase of two wheelers. This study helps the two wheeler companies to chalk out their strategies to enlarge their market share and enhance the level of awareness among women consumers.

INDIAN SCENARIO

Transport systems and city character are interlinked. Also land use characteristics of a city can determine the type of transport systems it needs. Two wheelers have a special place on the Indian roads. They are extremely popular and versatile not only as passenger carriers but also as goods carriers. Indians prefer motorcycles because of their small manageable size, low maintenance and pricing, and easy loan payments. The Indian two wheeler industry has come a long way. It was started in the year 1948, when bajaj auto started importing and selling Vespa scooters in India. (Anujkumar Kanjoia, 2011). Since then customer preferences have changed. The younger generations of India are crazy about two wheelers. Now, a bird's view on Indian scenario on two wheeler industry in Rayalaseema region cities is given below:

CITIES

TIRUPATI

Tirupati is one of the big city in Rayalaseema region. According to the records of the Tirupati Regional Transport Office, the total number of vehicles registered alone stood at 2,43,680 by January 2, 2014 in both Tirupati Urban and Rural mandals, revealing that the number of vehicles is almost equal to the city population. Of all the 2,43,680, the number of two-wheelers stood at 1,96,165 followed by auto rickshaws 12,829, which is being observed as the major concern for traffic in the town. But, as the population of Tirupati has not reached near 5 lakhs, no curbs will be enacted on registration of autos, Tirupati RTO MSSB Prasad told Express. On the number of vehicle registrations, he said that the RTA office in Tirupati is making registrations of at least 100 vehicles on any given day.

ANANTHAPUR

Anantapur city is governed by Municipal Corporation which comes under Rayalaseema Region. The Anantapur city is located in Andhra Pradesh state of India. As per provisional reports of Census India, population of Anantapur in 2014 is 291,004; of which male and female are 145,777 and 145,227 respectively. Although Anantapur city has population of 291,004; its city population is 370,613 of which 186,568 are males and 184,045 are females. Anantapur's vehicular population has been increasing at a steady pace for almost a decade now. It appears that about 70% of families in Anantapur own a motorized vehicle. This is because the buying capacity of Anantapur also is also increasing every year. Thus, a large number of people have started buying vehicles, though the petrol prices have gone up in the past few years.

KADAPA

Kadapa city is governed by Municipal Corporation which comes under Rayalaseema Region. The Kadapa city is located in Andhra Pradesh state of India. As per provisional reports of Census India, population of Kadapa in 2014 is 383,054; of which male and female are 192,357 and 190,697 respectively. Although Kadapa city has population of 383,054; its city population is 384,893 of which 193,314 are males and 191,579 are females. In the Indian cities, there is a steady increase in the number of registered vehicles. The 2014 data showed an increase of 44% over a period of seven years. The market share of the two wheeler industry including mopeds and motorcycles is 6%.

KARNOL

Kurnool city is governed by Municipal Corporation which comes under Rayalaseema Region. The Kurnool city is located in Andhra Pradesh state of India. As per provisional reports of Census India, population of Kurnool in 2014 is 470,214; of which male and female are 223,747 and 226,467 respectively. Although Kurnool city has population of 470,214; its city population is 524,327 of which 261,607 are males and 262,720 are females. the vehicle population rose by 1.5 lakh of which two wheelers account for 1.06 lakh. It can be said that people's need to save time, inadequate public transport system and easy loan facilities are the reason for increase in the two wheeler population. Thus the two wheeler manufacturers in India are, at present doing good business, especially in the past few years. Significantly, two wheeler models in India also get popular when they are in good price range and have other attractive features.

Why are Two Wheelers so Popular in India?

The growing middle class population, prosperous rural India and the paucity of reliable public transport system is leading to a large number of two wheelers added to the roads every day. Indian roads in most cities, villages and towns are narrow. Two-wheelers allow people to navigate such roads easily. Fuel-efficiency is a huge advantage. With the cost of petrol increasing steadily, two-wheeler makes the daily travel both affordable and convenient. Easy availability of auto finances at attractive schemes has made a two-wheeler a must in most urban and rural homes.

Two-wheelers Purchase Trend:

- Growing working population
- Increased access to credit and lower interest loans
- Increased consumer embrace of financial products
- Upward migration of household income levels
- Fast paced urbanization to rise from 28% to 40% by 2020

REVIEW OF LITERATURE

A review of previous research has revealed that a large number of studies have analysed some or other aspect of the consumer decision making behaviour. In order to satisfy the customers the manufactures should pay attention to quality, price, quantity etc. (Kannusamy, 2010). In the purchase of automobile products, celebrity endorsement has an impact (S A Dogra, 2011). Also, petrol prices and mass transport system have an impact on demand for two wheelers (S. Senthilkumar, A. Mahadevan, 2010). suggested that factors like driving comfort, fuel economy and hospitability influence the consumers in buying cars (Christy Dayamani 2011). Examined the factors determining purchase and post-purchase behavior of two wheeler users. His findings revealed that friends and neighbors' form the most important source which is followed by one's own experience, family members, news papers and observation **Nishar Ahmed N. (1997)**. Women play a major role in the purchasing decision and give highest preference to product quality (S. Saravanan, 2010).

OBJECTIVES

1. To study the consumers 'perception, awareness, preferences and purchase decision of two wheelers in selection cities.
2. To analyze the influence of the demographic variables on the factors of purchase decision of two wheelers

ROLE OF DEMOGRAPHIC CHARACTERISTICS

The demography refers to the vital and measurable statistics of a population. The demographic variables are the personal characteristics such as age, gender, marital status, educational qualification, occupation, type of family, number of members and annual income. (J. B. Singh, 2011). They are the most popular bases for distinguishing customer groups. Generally, women consumer wants, preferences and usage rates are highly associated with demographic variables. It is evident from the research conducted by Sarguna mary (2009) that the product purchase decision making among women urban married working women depend on the decision of family members. Also the study of Kamalveni et.al (2008) revealed that the brand loyalty is significantly associated with the age of consumers rather than with their income. Moreover, education links not only to thinking costs but also to product quality, exploration and search costs. (Kusum. L. Ailawadi, & et.al, 2001). Hence it is necessary to study the influence of demographic variables on the factors of purchase decision of women two wheelers.

INFORMATION SEARCH

To measure the perception of consumers towards the purchase decision of two wheelers, it is necessary to find out the possible options they have. They search for more information's in order to avoid the risk of making wrong choice. The consumer first conducts an internal search. In case the internal search for information is found to be insufficient, the consumer goes in for external search. It involves information collection from personal and non- personal or commercial sources. The sources of information are remarkably diverse. It comprises of both internal source and external source. The internal source comes from the past experiences. Whereas, the external source includes friends, colleagues, peer groups, family, internet websites, magazines and media etc.

RESEARCH METHODOLOGY

The study, "Consumer perception of the purchase decisions towards motor cycles in India- a case study with reference to Rayalaseema region in Andhra Pradesh. The data collected through the questionnaire were scrutinized and SPSS package was used for analysis. For this research study, the secondary data were collected from business journals, internet, magazines and news articles. The secondary data helped to structure the review of literature.

Questionnaire design: To conduct the study the primary data were collected through personal interview with structured questionnaire. To measure the perception of two wheeler users, Likert's 5 point scale is used.

Data collection: The researcher used convenience sampling method for collecting the data from the respondents. The data was collected from the respondents who had two wheelers.

The questionnaires were served and the details were tabulated. Table 1 presents the summary of the questionnaires served and received.

TABLE 1: SUMMARY OF QUESTIONNAIRES COLLECTED

Circles	Circulated	Reviewed	Rejectd	Used
Tirupati	100	95	14	81
Anantapur	100	80	18	62
Kadapa	100	78	13	65
Karnool	100	64	12	52
	400	317	57	260

Source: Primary data

From the Table: 1, it can be observed that researcher have distributed 400 questionnaires. The respondents were selected from four cities of India, where 100 are from Tirupati, 100 from Anantapur, 100 from Kadapa and the remaining from 100 Karnool. The questionnaires were sent through mail also. Among the 400 questionnaires distributed, it can be observed that only 260 questionnaires were received. Off the 260 questionnaires, 57 questionnaires were rejected for various reasons. The remaining 260, consisting of 81 from Tirupati, 62 from Anantapur, 65 from Kadapa and the remaining 52 were used for analysis.

VALIDITY OF THE DATA

The purpose of this research is to test the association of the independent variables like personal factors, product characteristics, promotional schemes and satisfaction indicators regarding the purchase decision of two wheelers by women consumers in India. Marketers and consumer researchers, over the period of 50 years, have tried to grasp the concept of consumer decision making. To assure the validity of our research, the selected theories and questionnaire were extracted from other scholars. Some research findings are discussed here: The personal characteristics reveals that two wheeler consumers are influenced by popular models. (Abdul Karim.B.2012). The two wheeler have gone a complete revamp and this consist of gearless products. The weight, height, easy handling is given due importance by women. (Ranjit Mundu,2011). But most of the rural consumers are influenced by quality, features and brand image of two wheelers. (G. V. Venala 2009). The "promotional schemes" indicates that advertising value is closely related with women's attitude towards visual media advertisements. (T. Ravikumar-2012). The fourth factor is satisfaction indicators. Consumers prefer to buy favorable brand in two wheelers on the basis of price, quality, advertisement, style, color, resale value etc., (Kannaswamy, 2010). Generally, the two wheeler consumers are highly influenced by the fuel economy and better road grip (Abdul Kalam, 2012). However, petrol prices and mass transport system have an impact on demand for two wheelers (Senthilkumar, 2010). This is particularly important, when the consumers are facing the problem of high fuel rate and high cost of spare parts (S. Kannaswamy, 2010).

ANALYSIS AND INTERPRETATION**DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS IN METRO CITIES**

It has been recognized that the perception of consumers of two wheelers, particularly, their search and evaluation behaviour may vary according to individual characteristics. The age, education, occupation, and the income level are the important factors in influencing the consumers search, evaluation and decision to buy a two wheeler. The table 2 reveals the demographic characteristics of samples in Rayalaseema region cities.

TABLE 2: DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS IN RAYALASEEMA REGION (Tirupati, Kdapa, Anantapur and Karnool)

Profile of the consumers	Category	Valid%
Age	Less than 30 years	25.54
Education	UG & PG	24.06
Occupation	Private service	27.07
Income level	1-3 lakhs	22.93

Source: computed data

Table: 2, indicates that the 25.54% of the respondents belong to the age group of less than 30 years. A majority (24.06%) were graduates and PG. Most (23.36%) of the respondents belong to the family income group of Rs 1 – Rs 3 lakhs. It was observed that a major portion (27.07%) of the respondents belonged to private service. Thus the study reveals that demographics play a role in the perception of women consumers towards the purchase decision of two wheelers in metros.

INFLUENCE OF REGION OF CONSUMERS ON THEIR PREFERENCE, ATTITUDE, DECISION MAKING AND SATISFACTION

The present study identified different variables that could possibly influence the consumers' perception of the purchase decision of two wheelers. Cluster analysis is the task of assigning set of objects into groups, so that the objects in the same cluster are similar. In this research, the researcher considered four regions of cities namely, Tirupati, Anantapur, Kadapa and Karnool. The significant difference among consumers in these four regions is identified through one-way ANOVA. The principal component method identified several factors of preference, attitude, decision making and satisfaction. The influence of independent variable on dependant factors is shortly estimated through the one-way analysis of variance which is given in table :3

TABLE 3: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Product performance	Between Groups	6.498	3	3.460	2.774	.000
	Within Groups	125.842	256	1.247		
	Total	132.340	259			
Promotional schemes	Between Groups	4.342	3	3.134	2.938	.000
	Within Groups	128.158	256	1.066		
	Total	132.500	259			
Utilitarian benefits	Between Groups	2.997	3	1.280	.929	.565
	Within Groups	112.796	256	1.378		
	Total	115.793	259			
Personal factors	Between Groups	3.498	3	3.460	2.774	.000
	Within Groups	105.842	256	1.247		
	Total	109.340	259			
Product characteristics'	Between Groups	6.342	3	3.134	2.938	.000
	Within Groups	132.158	256	1.066		
	Total	138.500	259			
Quality information	Between Groups	2.997	3	1.280	.929	.565
	Within Groups	105.796	256	1.378		
	Total	108.793	259			
Product aspects	Between Groups	3.498	3	3.460	2.774	.000
	Within Groups	135.842	256	1.247		
	Total	139.340	259			
Value added Benefits	Between Groups	0.342	3	3.134	2.938	.000
	Within Groups	135.158	256	1.066		
	Total	136.500	259			

Source: computed data

The principal component method identified several factors of preference, attitude, decision making and satisfaction. The total average scores of the factors are considered as dependent variable and region is considered as independent. The table: 3 indicates that the results were significant at 95% confidence interval for all.

TABLE 4: ONE-SAMPLE TEST

	Independent variable	Test Value = 4					
		T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Product Performance	1.00	-17.220	259	.000	-.990	-1.10	-.88
Promotional Schemes	4.00	-18.443	259	.000	-1.065	-1.18	-.95
Utilitarian benefits	1.00	-16.370	259	.000	-.918	-1.03	-.81
Personal Factors	4.00	-16.265	259	.000	-.953	-1.07	-.84
Product Characteristics	4.00	-16.983	259	.000	-.982	-1.10	-.87
Quality information	3.00	-17.551	259	.000	-.987	-1.10	-.88
Product Aspects	4.00	-19.279	259	.000	-1.100	-1.21	-.99
Value Added Benefits	3.00	-20.586	259	.000	-1.589	-1.17	-.89

RESEARCH FINDINGS

The researcher had investigated the extent of consumer perception of the purchase decision towards two wheelers in Rayalaseema region cities of India, viz, Tirupati, Anantapur, Kadapa and Karnool. To do so, she had employed ANOVAs technique to study the influence of region on consumers perception in their preference, attitude, decision making and satisfaction towards the purchase of two wheelers. Table 3 indicates that the results were significant at 95% confidence level for all variables. Accordingly, the perception of consumers of two wheelers in four regions differ widely with respect to variables like schemes, product performance, promotional schemes utilitarian benefits, personal characters, product characteristics, promotional schemes, product aspects and value added benefits. This leads to the mean wise comparison of four regions consumers of two wheelers. In Table: 4, the perception of consumers on decision making differ widely. The table shows the influence of region of consumer's perception on their preference, attitude, decision making and satisfaction towards the purchase decision of two wheelers. The results reveals that the perception of consumers of two wheelers at Karnool city are significantly differentiated with respect to variables like product performance and utilitarian benefits, then other cities. Whereas, the perception of consumers of two wheelers at Kadapa city was significantly different with respect to the variables, quality information and value added benefits. Personal factors, product characteristics, product aspects, promotional schemes were significant only to the two wheeler consumers at Anantapur city. The findings suggest that the perception of consumers was of paramount importance with respect to the variables as far as purchase decision of two wheelers was concerned.

CONCLUSION

The results discussed above shows the perception of consumers of two wheelers throughout Rayalaseema Region. Accordingly; it was found that regions have strong influence on the preference, attitude, decision making and satisfaction of consumer's perception towards two wheelers in Rayalaseema. The variables like product performance tend to influence the preference of consumers. Also, in terms of attitude, promotional schemes and utilitarian benefits play a significant role in the Rayalaseema consumers mind. When making a two wheeler purchase decision, the personal factors and product characteristics are important for consumers in Rayalaseema region. Also they show a positive attitude towards promotional schemes and utilitarian benefits derived from the two wheelers. Moreover, the satisfaction of consumers depends on product aspects and value added benefits provided by the two wheelers. It can be concluded that our analysis provides important insight on the two wheeler users. Their two-wheeler purchases are driven by different factors such as preference, attitude, decision making and satisfaction of consumers in Rayalaseema. Thus, the result of this study is emphasized and further supported the importance of perception of consumers as an important element of purchase decision.

REFERENCES

1. Anujkumar Kanojia, (2011), "Analysing the state of competition in Indian Two wheeler industry", Competition commission of India, Report, New delhi
2. Abdulkarim.B.(2012), "A study of two wheelers consumer buying behavior in Tirunelveli city"
3. Dogra. S.A. (2013), "Effect of celebrity endorsement on consumer buying behaviour with special reference to two wheelers industry," The Journal of Indian management and strategy, volume 16, Issue No: 3, pp 21-26.
4. Kannusamy (2010), "Brand preference of two wheelers: Problems and satisfaction level of consumers", Ushers journal of business management, Volume 9, Issue no:1, Jan-June, pp 37 to 44.
5. Ravikumar.T. (2012), "A study on impact of visual media advertisement on women consumer buying behaviour in Chennai city ", International Journal of Multidisciplinary Research, volume 2, Issue 2, February, p 146.
6. Ranjit Mundu, Heart Trivedi, Yuvaraj Kurade, (2011), Analysis of factors influencing two wheeler purchases by women", Beacon management review, pp 11-18
7. Senthil Kumar.S and Manadevan. A. (2010), "Further prospects of Indian automobiles with special reference to two wheelers and motor cycle segment", Indian Journal of Marketing, volume 40, December, pp 47-56.
8. Venela. G, V. (2009), "A study on two wheelers in India Rural Market," Indian Journal of Marketing, volume 39, November 2999, pp 39-43.
9. Christy Dayamani. T (2011), "Consumer Behaviour in buying cars in Trinelvei city, Tamil Nadu", Golden Research Thoughts, volume 1, Issue V, November pp 1-4.
10. Saravanan. S (2010), "A study on consumer behaviour of women with special reference to durable goods in Coimbatore city, Tamil nadu", Indian Journal of Marketing, May, pp 36-42.
11. Sarguna Mary, (2009), "Product purchase decision making process among urban married working women in Tiruchirapalli District- An analysis", Indian journal of marketing, February, pp 17 to 25.
12. Singh.J.B.(2011), "Buyer behavior of consumers with respect to durable products – A case study of personal computer", Journal of Indian Management and strategy", volume 16, NO:4, PP 19-31.
13. Kamalaveni.D., Kalaiselve.S., Rajalakshmi.S.(2008), "Brand loyalty of women consumers with respect to FMCGS", Indian journal of marketing, September, pp 44-51.
14. Kusum. L. Ailawadi, Scott. A. Neslin, Gedek, (2001), "Pursuing the value conscious consumer: store brands versus National brands promotions "Journal of marketing", volume 65, January, pp 71 to 89.

A STUDY ON CONSUMER PREFERENCE TO TOOTH PASTE WITH REFERENCE TO TIRUVARUR TOWN**C. SHANTHI****RESEARCH SCHOLAR****DEPARTMENT OF COMMERCE****THIRU.VI.KA. GOVERNMENT ARTS COLLEGE****TIRUVARUR****DR. P. ASOKAN****ASSOCIATE PROFESSOR****P.G. & RESEARCH DEPARTMENT OF COMMERCE****THIRU.VI.KA. GOVERNMENT ARTS COLLEGE****TIRUVARUR****ABSTRACT**

Consumer is the deciding factor. It is the consumer who determines what a business is what the consumer is the deciding factor. It is the consumer who determines what a business is what the customer things he is buying. The problem undertaken for study purpose is consumer preferences towards using tooth paste. The present market is the consumer oriented market and how they are treated as the decisive force. The foresaid reason has given a fillip to the researcher to make out a study about the consumer buying behaviour and their position in choosing the particular brand of tooth paste. In the dynamic world, due to development in Science and technology, today's luxuries become the necessities of tomorrow.

KEYWORDS

consumer preferences, toothpaste.

INTRODUCTION

Hygiene plays a vital role in our life. For a healthy life, great care should be given to our teeth. Mouth is one of the most important human organs. Man's main means of communication namely speech comes from it. Its size and shape, especially the outline of its lips, strongly affect one's personal appearance. Thus it is clear that the mouth and its principal components – the teeth, the tongue, and the gums – should receive the best of care. The teeth and gums preservation is important daily for each and every person. In the ancient periods there was no tooth paste; ancestors had the habit of teeth cleaning with the help of natural ingredients. Due to rapid technological innovations this area got a marketable growth. The marketing of number of toothpaste is increasing day by day. The main purpose of the study is to analyze the preferences of the consumers towards toothpaste. Consumer is the deciding factor. It is the consumer who determines what a business is what the consumer is the deciding factor. It is the consumer who determines what a business is what the customer things he is buying. What he considers value is decisive it determines what the business is, what is produced and whether it will purpose.

PROBLEM OF THE STUDY

The problem undertaken for study purpose is consumer preferences towards using tooth paste. Preferential status of consumers on what basis the consumer prefers his brand and which influences him to buy such a brand and also how his buying motive is created are analyses and concluded the exact buying behaviour of the consumer towards using the same brand.

IMPORTANCE OF THE STUDY

Now-a-days the consumer goods are increasing day by day. In the dynamic world so many brands of tooth paste are produced and marketed by a single manufacturer. The decision whether to buy or not depends only on the consumer's motive. The present market is the consumer oriented market and how they are treated as the decisive force. The foresaid reason has given a fillip to the researcher to make out a study about the consumer buying behaviour and their position in choosing the particular brand of tooth paste.

OBJECTIVES OF THE STUDY

1. To analyse the social and economical background of consumer and to find out to what extent the social and cultural set up affect the buying habits of the urban consumers.
2. To find the brand awareness of consumers.
3. To find the exact preferences of the urban consumers.
4. To know the way by which the buying motive of the urban consumer is created.
5. To ascertain the opinion of the urban consumer towards using the same brand to whole family and the opinion regarding frequent change of brand.
6. To find the reasons for preferences and the sources of purchase and also to know the opinion based on the medical consultation.

RESEARCH METHODOLOGY

The methods followed for executing the project are both primary and secondary. For field work, the township having a population of 65000 is taken into consideration. The town consists of 30 wards. The researcher could not study the whole of the total population due to lack of time and financial constraints. So, only 4 samples were taken from each ward comprising a total of 120 samples for the purpose of this study.

LIMITATIONS OF THE STUDY

The researcher had some limitations in his execution which are listed below. The study is confined to Tiruvarur town only. Only the opinion of the consumers, using tooth paste alone was taken in to consideration and the experiences and opinion of the dealers were not considered. The results of the study cannot be generalized to other areas due to demographic differences. The findings of the study are drawn on the basis of information supplied by the respondents.

TABLE 1: BRAND PREFERENCE

Name of Brand	No. of Respondents	Percentage
Colgate	64	53.0
Close up	24	20.0
Pepsodent	10	8.5
Promise	7	5.5
Vicco	4	3.0
Signal	3	2.5
Babool	2	2.0
Thermosel	1	1.0
Sensoform	2	2.0
Cavison	3	2.5
Total	120	100

Source: Primary Data

Table 1 shows that though more than 20 brands are existing in the market, the majority of respondents, i.e. 53 per cent only Colgate. The second majority of respondents 19.5 per cent prefer Close-up and 8 per cent of respondents prefer Pepsodent.

TABLE 2: REASONS FOR PREFERENCE

Reasons	No. of Respondents	Percentage
For Medical value	25	21.0
For Economy	13	11.0
For Quality	63	52.5
For Rich-in-foam	5	4.0
For Others	14	11.5
Total	120	100

Source: Primary Data

As shown in table 2, it is learnt that 52.5 per cent of respondents prefer their brand for quality, 21 per cent prefer for medical value, 11 per cent prefer for economy, 4 per cent prefer for rich in foam and the rest of 11.5 per cent prefer for various reasons.

TABLE 3: OPINION ABOUT PRICE

Opinion Income	Number of Respondents			Total	Percentage
	<10000	10000 to 20000	> 20000		
Very high	3	2	1	06	05
High	5	10	5	20	17
Moderate	4	66	24	94	78
Total	12	78	30	120	100

Source: Primary Data

As shown in table 3, 94 of the total 120 respondents feel that the price is reasonable. 20 respondents felt it is high and 6 of them felt that the price is very high. No one respondent is of the opinion that the price of the tooth paste is cheap whereas 22 per cent of them opined that it is very high.

FINDINGS

The results of the study are given below;

- ✓ All the respondents in the study area are having the habit of using tooth paste and a number of brands of tooth paste are available in Tiruvavur.
- ✓ The major portion of respondents prefers the Colgate tooth paste. Out of 120 respondents, 53 per cent of respondents prefer Colgate as their favourite tooth paste.
- ✓ 83 per cent of the respondents feel better about the quality of the tooth paste they are using after comparing it with the product they previously used.
- ✓ 91 per cent of the respondents are using their favourite brand for its quality and only 9 per cent of the respondents use it for other reasons like recommendation of the doctors or retailers. The quality of the tooth paste is the prime reason for consumer preference.
- ✓ 83 per cent of the consumers are reluctant to change their brand rather they are intending to purchase only their favourite brand. The satisfactory level of the respondents is very high as they have very strong intention of repurchasing their favourite brand.
- ✓ 94 per cent of the total 120 respondents feel that the price of the tooth paste is reasonable. 20 respondents felt that it is high and 6 of them felt that the price is very high.

SUGGESTIONS

- ❖ To improve the satisfaction level of the consumers, the uses of the product should be developed in such a way to call the tooth paste as a multipurpose one.
- ❖ Highly pleasant perfumes may be added to the product to enhance the satisfaction level of the consumers.
- ❖ Steps may be taken to gain the dealer's patronage to the product.
- ❖ Free gifts should be provided to all the consumers along with the tooth paste tooth brushes, mouth wash liquid, children toys are some of the products which may be thought of as free gifts.
- ❖ Gift coupons may be issued to the consumers to recommend the product to others.
- ❖ The companies shall take necessary steps to educate the rural people about the necessity using quality tooth pastes to guard their teeth and health.
- ❖ The product tooth paste shall be made available more in 100 grams and 50 grams' containers and if possible in sachets. The consumers shall be encouraged to use economy packs more.

CONCLUSION

The study was concentrated only in a small portion of the area, in the field of consumer preference towards tooth paste. The tooth paste is used for the protection of teeth and it is also used to prevent tooth decay and to stop bad breath, in the month. This survey concluded that the most of the respondents give suggestion to maintain its present quality without raising the price and the remaining respondents reported that the quantity is to be maintained in future. All are using the same tooth paste without difference between low income people and high income people. In the dynamic world, due to development in Science and technology, today's luxuries become the necessities of tomorrow. Therefore, tooth paste will be included in the list of basic necessities in the near future.

REFERENCES

1. Beri.G.C., "Marketing Research", Tata McGraw Hill, New Delhi.
2. Davar.R.S.(1998 & 1971), "Modern Marketing Management", Progressive Publications, Hemkunt Press, Bombay.
3. Gandhi.J.C., "Marketing a Management Introduction", Tata McGraw Hill, New Delhi.
4. Hawkins & Roger J. Best, (2003), "Consumer Behaviour – Building Marketing Strategy", Tata McGraw Hill, New Delhi.
5. Henry Assael & Michael R. Solomon, (2002), "Consumer Behaviour Buying Having and Being", Prentice Hall of India (P) Ltd., New Delhi.
6. Murthy.D.B.N. (2001), "Consumer & Quality", New Age International (P) Ltd., Publishers, New Delhi.
7. Neelamegam.S.(1970), "Marketing Management and the Indian Economy", Vikas Thacker &Co., Bombay.
8. Ramaswamy.V.S. & Namakumari.S (2003), "Marketing Management", Rejiv Beri for Macmillan Indian Ltd., New Delhi.
9. Suja R. Nair, (2002), "Consumer behaviour in Indian Perspective", Mrs.Meena Pandey for Himalaya Publishing House, Mumbai.

DISCERNING THE DIFFERENCE BETWEEN REALITY AND PERCEPTION - EXPERIENCES OF PETROL PUMP ATTENDANTS WHILE DEALING WITH CUSTOMERS

TANAYA ACHAREKAR

LEAD TRAINER

**ROSEFIELD DAA INTERNATIONAL CONSULTANCY LLP
MUMBAI**

ABSTRACT

Petrol pump attendants may be ill-treated at times owing to preconceived notions about them or the media publicizing their unfavorable image. The paper aims at sharing the experiences of the petrol pump attendants to sensitize the customers towards them. It also aims to change the rigid perceptions that people have about petrol pump attendants and acquaint them with some realities.

KEYWORDS

petrol pump attendants, service encounters.

ABBREVIATION

FSM - Fuel Service Man

INTRODUCTION

A petrol pump is a place that people visit at least once a week or even more. These are one of those few people, whom we encounter with frequently. Even though the interaction may not last for more than a couple of minutes, they strive hard for customer satisfaction if not delight. Especially in India, this is one of the jobs that is loaded with heavy stereotyping. People always are under the impression that all of them are dishonest, rude and can be lured by money.

Mentioned below are some situations that we might have undergone or seen people going through: We have counterfeit or damaged notes; where to go? Petrol Pump. We are in a foul mood and the vehicle shows reserve indication; whom to vent out the frustration on? The petrol pump attendant. The vehicle gives an average on the lower side: whom to blame? The petrol pump attendant!

Some reality and some myths have put this community in a fix and made their life miserable. Other than Late Mr. Dhirubhai Ambani who was one of the world's richest men who started his career as a petrol pump attendant and Colonel Sanders, the founder of KFC who owned gas stations that served chicken dinners in 1940s and 1950s, there is hardly anyone else of this genre who is spoken of. There are very few who know about the reality and the problems faced by the petrol pump attendants.

The paper offers a sneak peek of the various experiences of petrol pump attendants with their customers.

OBJECTIVES

1. To discover the petrol pump attendants' experiences when encountering customers.
2. To make people aware of the other side of the petrol pump attendants.
3. To sensitize people about the petrol pump attendants in order to minimize stereotyping and be more considerate the next time they visit a petrol pump.

RESEARCH METHODOLOGY

190 petrol pump attendants working at company owned and managed outlets of a reputed fuel brand in the city of Ahmedabad were interviewed for collecting the primary data. Random sampling method was followed; even then an effort was made to get a fair representation of the attendants working in all the three shifts. Only petrol pump attendants working at the company owned and managed outlets in the same city were chosen so that other factors affecting their interactions with the customers would remain more or less constant.

THE UNTOLD STORIES

The petrol pump attendants do a variety of jobs ranging from housekeeping, air filling, oil changing, accompanying the petrol tanker from the depot to the pump, petrol filling, handling cash, solving customer complaints and so on. Most of their jobs involve interactions with the customers. A petrol pump attendant interacts with hundreds of customers daily during the day shift. The attendants said that they had almost become experts in reading faces of the customers. Most of the customers that came to the pump were good and appreciative, but a few were cranky and non-cooperative.

The FSMs had humongous experiences to share. The experiences have been categorized as follows:

1. DELIGHTFUL INCIDENTS

The job of the FSMs is not that bad and they too have their share of happiness at work. Thanks to some customers. The attendants shared a few incidences where the customers went out of the way to express gratitude to them.

- A student appearing for his tenth standard board examinations happened to forget money at home and wanted a fifty rupee fuel filled in his bike. He promised to pay back after the examination. The petrol pump attendant, trusting the boy, filled up the fuel and to his surprise after a couple of hours, the boy returned to the pump with his mother and handed over the money with a tip of gratitude for the outstanding help.
- One of the regular customers to the pump was always amazed by this petrol pump attendant's daughter for her hard work and excellence in academics. After this girl cleared her entrance for chartered accountancy, the customer gifted her a laptop to keep up her motivation.
- Once, a regular customer noticed that the petrol pump attendant was not keeping well. He was a doctor and he gave his visiting card to the attendant and asked him to visit his clinic. The customer supported the attendant throughout the treatment with free consultation and medication till the attendant recovered from the illness.

2. LOYAL CUSTOMERS

Serving thousands of people every day, the FSMs get an opportunity to build relations with many for good. The loyal customers go out of the way and reciprocate to make the relationship stronger. Below are some examples:

- An old man with his grandson was pushing the car to the pump as the car had run out of fuel. An FSM saw him and helped him get the car to the pump. The man was highly obliged and since then became a loyal customer of the pump and family doctor to that FSM.
- A customer once started arguing over the amount of fuel filled in his two wheeler; as it exceeded the capacity of the fuel tank. After great difficulty, he was convinced to allow FSM to decant the fuel from his vehicle into a Government approved measure to show him that the actual amount of fuel was exactly the same as he was charged for. Since then, he became a loyal customer to the pump.
- There is a loyal customer who gets tea for all the FSMs each time he visits the pump.
- There is another regular customer who makes it a point to come to the pump from the other side of the city to give the FSMs diwali gifts.

3. RISKING LIVES

An FSM's job is not only limited to delivering good service to customers but also ensuring their safety and security when they are at the pump. This involves constant vigilance, adhering to SOPs along with a constant risk of life for the FSMs.

- CNG filling was in progress at a pump and there was smoke seen coming from the bonnet. The FSM opened the bonnet and saw fire. The customer ran away leaving the car. The FSMs pushed the car outside the pump and extinguished the fire with a fire extinguisher.
- A customer's son was playing with a toy gun when the fuel filling was in progress. It acted as a lighter and caught fire. The same was extinguished by the FSM with a fire extinguisher.
- An FSM got minor burns while filling air in a two wheeler, when the driver denied switching off the engine.

4. WORKING HARD FOR CUSTOMER SATISFACTION

The FSMs may not know flowery language and may not be expert salesmen, but in their own small ways they make sure to go beyond their ways to build a loyal customer base. Here are some examples:

- In two different incidents, the FSMs returned a cell phone and some cash fallen from the customers' pockets. The happiness of the customers knew no bounds to see their sheer honesty.
- A lady with a two wheeler arrived to fill fuel, and in a hurry forgot to pick up her kid on the way back. An FSM traced the school's address with the help of the school I- card and took the kid to the school.
- In the rush hours, after filling fuel a customer paid money and forgot to collect the change. He returned after a couple of days to ask for the change and was delighted to find out that the change was safely kept in an envelope with his name.
- A petrol pump attendant found a cell phone on the floor whilst filling air at the air tower. When he asked the customer who was getting air filled, whether it belonged to him, he nodded and took the cell phone away. Another customer returned in a few minutes complaining about his missing cell phone. The attendant then realized that the phone was handed over to the wrong customer. The attendant found out the customer's residence, recovered the phone and handed it over to the owner in a week.

5. NOT SO GOOD SURPRISES

Every coin has two sides and here is the other side of an FSM's job at the pump. Some customers don't cease to take off smile from the FSM's face. There were some incidences where the petrol pump attendants faced situations that were not only disappointing but also surprising.

- A customer filled fuel worth a hefty amount and denied having cash. A petrol pump attendant agreed to go to the customer's residence with him to collect the money. On reaching the building, the customer pretended to make a call and asked the attendant to collect the money from a certain flat in the building from his wife. To the bitter surprise of the attendant, there was nobody on the floor waiting with cash and by the time he came back to the parking, the customer had fled.
- A customer was denied fuel since he was talking over the cell phone. The customer abused the attendant, left the pump in anger and returned with a few people to fight. A new canteen boy also got beaten up in the fight and a few attendants got minor wounds.
- A customer filled fuel and left and returned the next day to fill the same amount of fuel. The customer then refused to pay saying that the fuel indicator did not move the previous day after the fuel top up. The petrol pump attendant had to bear the loss for the same from his pocket.
- A customer arrived in a four wheeler to fill fuel; however, was unable to open the fuel tank lock. The FSM helped him in doing so, filled the fuel and the customer left without paying for the fuel taking advantage of the situation and never returned back.
- An FSM had to fill fuel worth 100 rupees complimentary for a customer when his vehicle's fuel indicator failed to move even after filling fuel. The FSM had to pay for the same.

6. COUNTERFEIT NOTES

Customers bring a lot of fake notes at the pump for circulation; however, the attendants are well trained to identify them. In spite of that, they end up accepting some during peak hours. The pumps do have machines that help to identify counterfeit notes. If found so at the end of the shift, the petrol pump attendant ends up paying for the difference.

The petrol pump attendants shared a few stories about it:

- A regular customer tried to pass a counterfeit note to the petrol pump attendant by placing a cookie packet on the note and involving the attendant in a chat, but the attendant was smart enough to identify the note and politely asked for a replacement, to which the customer agreed.
- A customer handed over counterfeit money and when the attendant realized it, the attendant asked for another note. The customer refused and started arguing. After the superior's intervention the guest was pacified; he agreed to swipe his card but also sought apology from the petrol pump attendant for his behavior.

7. TRIPS TO THE PETROL DEPOT

The petrol comes to the pump everyday by a tanker and an FSM needs to go to the nearby petrol depot early morning and accompany the tanker to the pump to avoid any adulteration and pilferages. Usually this trip is undertaken by an FSM on the day subsequent to his weekly off.

Unfortunately, this is not an easy job as it sounds like.

- Once on the way back, an FSM was beaten up badly when he tried to stop the driver from decanting some fuel illegally; though the driver was then fired from the job for the act.
- At an incident when the tanker driver caused a road mishap, the FSM too was beaten up for no fault of his.

8. THE NIGHT SHIFT STORIES

During the night shift there are usually not more than two to three FSMs at the pump owing to the low sale during that shift. Some customers tend to take advantage of the fact to get free fuel and some thieves are on the lookout to do something fishy.

- A couple of drunken youngsters came to the pump after a World Cup Match and started creating menace. The security guard on duty found it difficult to handle and hence the police was called for. The police instructed to shut the pump.
- A car speeded after filling up the fuel without paying money taking advantage of the less manpower at night. Since then the FSMs close one gate of the pump to avoid reoccurrence of such situations.
- Two men, on the way back after filling fuel picked up the security guard's gun kept on the chair when the guard had gone to relieve himself. This created a panic at the pump and they informed the police. After a couple of hours, the men placed the gun back at the pump.
- At an incident, a cash theft did occur at the pump when the FSMs were busy filling fuel and some boys succeeded in stealing some cash from the office and running away.

CONCLUSION

The experiences of the petrol pump attendants help to gain insights about functioning of petrol pumps, behavior of customers coming to the petrol pumps, various situations that the petrol pump attendants encounter as a part of their jobs and the hardships they face. Their job is not confined only to serving customers, but encompasses morality, humanity, risk of lives to safeguard people and property, representing the brand and much more. The experiences speak for due respect and consideration that they deserve for their work.

REFERENCE

1. **Marlisse Cepeda (2015)** : 10 Things You Didn't Know About Gas Stations, Woman's Day, viewed on 16/05/2016 at <http://www.womansday.com/life/travel-tips/a50796/10-things-you-didnt-know-about-gass-stations/>

THE APPLICATION OF MARKOV MODEL IN MANPOWER SYSTEMS

PENUEL NYAANGA ONDIENG'A
ECONOMIST
KISII COUNTY GOVERNMENT
KENYA

GEORGE OTIENO ORWA
LECTURER
DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCES
JKUAT
KENYA

JOSEPH MUNG'ATU
LECTURER
DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCES
JKUAT
KENYA

ABSTRACT

Efficient manpower planning is a crucial task of managing any organization with a sole purpose of best matching future manpower needs or demand. If not well planned, there will be crises either of a shortfall or surplus of manpower which can be costly and very inefficient hence, there is need to predict future needs of personnel. For future predictions of dynamics in the manpower, a model based on markov process is used depending on the level of the structural control like ability to attain and maintain the desired structure. Markov model of hierarchical manpower systems which follow proportionality policies in recruitment and promotion of their staff is proposed in this study with a view to safeguard the career interests of their existing employees. The study used data from the directorate of rural planning in the Ministry of Devolution and Planning in Kenya for economists in grades 1 to 6. The study established that the Markov model which incorporates the proportionality policy was adhered to by the institution. The study concludes that the Markov model can be used to achieve a desirable blend of existing and fresh external manpower in even small organizations as it yields more practicable means of control of the system. This model is therefore, recommended for organizations which outsources a part of their work.

KEYWORDS

manpower planning, markov model.

1.0 INTRODUCTION

The purpose of manpower planning is to best match future manpower needs and supply in light of multiple objectives like economic conditions, production or sales trends, people skills inventories, government regulations, as well as organization history and policies regarding personnel hiring, training, promotion, firing and retirement. Successes and failures have been reported for forecasting personnel demand using regression models based on anticipated workload, sales or economic indicators. Manpower management is there-fore the process of ensuring that the correct numbers of human resources are available at the right time at the right place (Rachid & Mohamed, 2013). Organizations attempt to forecast their human resources requirements for the medium to long term; however, in order to do this, there is need to apply appropriate analytical tools. Much effort has been devoted in developing tools and techniques to assist managers with planning and overall management of their employees. Many of these have been based on the theory of stochastic processes and more specifically the concept of Markov chains (Dharmavirsinh et al., 2013).

In large organizations the flow of individuals between the various ranks is a task which requires careful and detailed monitoring. Over a number of years, patterns of behavior may emerge and in many cases the role of manpower planning is to build a picture of such resource flow (Jaroslaw, 2014). In a stable environment where the features and characteristics of products and labour markets are expected to evolve in a predictable and orderly fashion, a model of long-term patterns of employment within the organization would emerge. This would show the expected number of retirements, the expected turnover of staff, within departments and the average number of staff which leave for involuntary reasons. This can give a broad and rather basic picture of staff turnover. Hence, it can also be used to provide valuable information on timings and rates for replenishing staff.

To model the flow of personnel through an organization as a Markov chain, the analyst must define the stage interval and states, collect data, estimate the transition probability matrix and validate the model. Markov chain models have been applied in examining the structure of manpower systems in terms of the proportion of staff in each grade or age profile of staff under a variety of conditions and evaluating policies for controlling manpower system. The important question is the control of expected numbers in the various states by the recruitment control. The numbers of these people in such categories change over time through wastages, promotion flows and recruitment.

2.0 LITERATURE REVIEW

A variety of research publications are available that address problems in human planning, but not many of them are directly related to hiring, training and promotion. Bartholomew (1982), provides a general review of the stochastic modelling to social systems. Anderson (2001) proposed a model where demand is driven by a continuous non stationary seasonal process meant to approximate a business cycle. Gaimon & Thompson (1984) developed a model that looks at an organization in terms of cohorts i.e employees with the same length of services, using an objective function that measures the effectiveness of the organization. Nilakantan (2008) proposed a model where the system is assumed to consist of a finite number of grades. Darko & Damjan (2008) proposed a Markov chain model with the assumption that the process is memory less, which means that the future states only depend on the present state rather than history. In this case, the states are segments of the system, and transition probabilities are understood as relative frequencies.

According to Bordoloi & Matsuo (2001), there is need to deal with the assignment problem between personnel and positions in order to maximize the total value of assignments involving people to people as well as people to position matching. Grinold (1974) offers optimal accession policies for manpower planning in a naval aviation system taking into consideration deterministic learning effects and retention rates. The demand for a workforce as determined by different states of peaceful and conflict periods are represented as a markov chain. In all the different aspect of management that is the maintenance of a given manpower structure through recruitment or promotion, so that it remains the same at subseuent accounting periods.

According to Ossai & Uche (2009), of the three factors of manpower flow-recruitment, promotion and wastages, only recruitment and promotion have been accepted as good control factors on the ground that exercising control through wastages, for instance dismal/retraining and inducement to leave is undesirable and unacceptable. According to Bordoloi & Matsuo (2001), many organizations tend to prefer to hire recruits at the lower grades since many operations require workers to have an extensive knowledge hence new recruits are assigned to relatively simple operations. However, many new recruits tend to quickly find a mismatch between job requirements and their job aptitudes and preferences and as a result they quit jobs. Those who complete the training program find themselves valuable to other organizations that can take advantage of the knowledge acquired and therefore leave for better opportunities (Anderson, 2001). Rao (1990) has considered a manpower planning model with the objective of minimizing the manpower cost with optimal recruitment policies. Here, the recruitment size is known and fixed in the model.

In most cases, in many organizations, vacancies that arise in the lower grades are filled up by recruitments whereas; those in the higher grades are filled up by promotions. In multi-graded hierarchical manpower systems, a promotion policy is associated with constant promotion probabilities leaves a proportion of employees qualified by completed length of service in a lower grade un-promoted. This proportion increases and pressure starts building up as time progresses (Nilakantan & Rachavendra, 2008). When this pressure exceeds a certain level of control, a high proportion of un-promoted employees could have serious effect on the efficiency of the organization such as productive loss and wastage.

3.0 METHODOLOGY

Markov chain theory is one of the mathematical tools used to investigate dynamic behaviour of a system in a special type of discrete-time stochastic process in which the time evolution of the system is described by a set of random variables.

$$P(X_{t+1} = x_{t+1} | X_0 = x, X_1 = x_1, \dots, X_t = x_t) = P(X_{t+1} = x_{t+1} | X_t = x_t) \quad (3.1)$$

Where $[X_i = x_i, i = 0, 1, 2, \dots]$ means that the random variables X_i have the value x_i at time i and P is conditional probability distribution of the system.

Denoting $P_{ij}(t)$ as the transition probability of a system from state i to state j , the transition matrix is defined as;

$$P(t) = \begin{pmatrix} P_{11}(t) & P_{12}(t) & \dots & P_{1K}(t) \\ P_{21}(t) & P_{22}(t) & \dots & P_{2K}(t) \\ \dots & \dots & \dots & \dots \\ P_{K1}(t) & P_{K2}(t) & \dots & P_{KK}(t) \end{pmatrix} \quad (3.2)$$

Where, K is the number of exclusive and exhaustive states of the system. The matrix $P(t)$ is called stochastic for:-

$$0 \leq P_{ij}(t) \leq 1; \text{ and}$$

$$\sum_{j=1}^K P_{ij}(t) = 1, i, j = 1, 2, 3, \dots, K$$

Workforce systems could be described by the terminology: Stocks and flows. The stock $n_i(t)$ is the expected number of people in class i at time t . The flow $n_{ij}(t) = n_i(t)P_{ij}$ denotes the expected number of members moving from class i to class j in an interval of unit length of time from t to $t + 1$ with P_{ij} being the transition probability that an individual in class i at the start of the time interval sitting in class j at the end.

In this case, the basic equation for a k -class workforce system using Markov chain theory is:

$$n(t) = n(t-1)[P + W'r] + \Delta N(t)r \quad (3.3)$$

Where, $n(t) = [n_1(t), n_2(t), \dots, n_k(t)]$ is the row stock vector. The number of new positions created due to expansion of the organization is expressed as $\Delta N(t) = N(t) - N(t-1)$, with $N(t) = \sum_{i=1}^k n_i(t)$ representing the total number of staff in the system. The row wastages vector $W = [w_1, w_2, \dots, w_k]$ and the row recruitment vector $r = [r_1, r_2, \dots, r_k]$ are composed of the probabilities of staff losses or gains, constrained by;

$\sum_{j=1}^k P_{ij} + w_i = 1$ and $\sum_{i=1}^k r_i = 1$, respectively. Denoting the transpose of a vector or a matrix by prime w' is a column vector and $w'r$ is a matrix with the element $(w'r)_{ij} = w_i r_j$. Therefore, equation (3.3) is written in a more aggregated way as;

$$n(t) = n(t-1)P + R(t)r \quad (3.4)$$

Where, $R(t) = \Delta N(t) + n(t-1)w'$ is total number of recruitment and $R(t)r$ is the vector of new entrant distribution. The transition probabilities P_{ij} could be estimated from the historical data of stocks and flows using the method of maximum likelihood $\hat{P}_{ij} = \sum_t \frac{n_{ij}(t)}{\sum_t n_i(t)}$, where, $n_{ij}(t)$ is the flow, i.e. the observed numbers of staff moving from class i to j during the time interval of $(t, t+1)$, $n_i(t)$ is the stock i.e. the observed number of staff in class i at the beginning of the time period $(t, t+1)$, and the summation is taken over the time period of available historical data.

The wastages and recruitment probabilities could be estimated in the same way as estimation for transition probabilities. The total system size at time t , denoted by $N(t)$, is the sum of the number of members in all grades, and is given by:

$$N(t) = n(t)l^T = \sum_{j=1}^k n_j(t) \quad (3.5)$$

Where, $l = (1, 1, \dots, 1)$, a vector with all components unity, and l^T is its transpose. If $W(t)$ denotes the row of wastages probabilities due to attrition factors such as retirement, resignation, etc. in the interval $(t, t+1)$, then the probability summation equation results:

$$P(t)l^T + W(t)^T = l^T \quad (3.6)$$

The system configuration vector denoted by the row vector $q(t)$ is given by:

$$q(t) = n(t)/N(t) \quad (3.7)$$

3.1 PROPOSED MODEL

The study proposes a proportionality Markov model by imposing proportionality restrictions in the general Markov model. This type of model works well in organizations that only recruit's employees in the lower cadre and fill the rest through promotions of the internal or existing staff in the organization. This is a common practice now days in many organizations due to pressure from employee's associations and trade unions with a view of safeguarding the career interests of their members. The proportionality restrictions dictate that the number of recruits in any transition interval should be within a fixed proportion of the number of entrants promoted to the grade from within the organization in the same interval. The promotion inflow into a grade excludes those who were in the grade at the start of the transition interval, and is based on the prevailing practices in manpower systems.

The promotion inflow into grade j in $(t, t+1)$ is given by;

$$\sum_{i=1}^k n_i(t)P_{ij}(t) = \sum_{i=1}^k n_i(t)P_{ij}(t) - n_j(t)P_{jj}(t), \text{ but } i \neq j \quad (3.8)$$

Where $P_j(t)$ is the j th column of $P(t)$.

The recruitment inflow into grade j in $(t, t+1)$ must be prespecified proportion of promotion inflow into grade j , in $(t, t+1)$ once the promotion inflow is decided upon, which can be written as:

$$\sum_{i \neq j, i=1}^k n_i(t)P_{ij}(t) = (\sum_{i=1}^k n_i(t)P_{ij}(t) - n_j(t)P_{jj}(t))/f_j(t) \geq r_j(t) \quad (3.9)$$

Where $f_i(t)$ is the constant of proportionality between the promotion and recruitment inflows into grade j in $(t, t+1)$. The $f_i(t)$ parameters are imposed on the system by the management.

Note that $n_j(t+1)$ are linear combinations of the $n_j(t)$ and $r_j(t)$ and, expectation being a linear operator. The interpretation in terms of their expected values is equally valid hence equation (3.9) can be written in matrix form as;

$$n(t)[P(t) - D(t)] \geq r(t)f(t) \quad (3.10)$$

Where $D(t)$ is a diagonal matrix consisting of the diagonal elements of $P(t)$ and $f(t)$ is another diagonal matrix whose elements are $f_j(t)$ defined above.

Here, $f_j(t) > 0$. Therefore, f restriction condition for grade 1 is:

$$\sum_{i=1}^k n_i(t)P_{i1}(t) - n_1(t)P_{11}(t) = r_1(t)f_1(t) \quad (3.11)$$

Since the system allows no reversions, the promotion inflow into grade 1 is zero. Hence, the base grade 1 has necessarily to be maintained thought recruitment alone. This situation requires that $f_1(t) = 0$ for all t , while $r_1(t)$, the base grade recruitment (BGR) can take any arbitrary fine value.

The matrices $P(t)$ and $f(t)$ represent the two fundamental policy parameters of the system, which most organizations find desirable to maintain stable and steady, thus making $P(t) = P$ and $f(t) = f$ for all t . Therefore, in this proposed model, the following restrictions are put in place:

- $f_j > 0$ for $j \geq 2$, for all t .
- $f_1(t) = 0$, for all t .
- $r_1(t)$, Can have arbitrary finite positive values.
- $P(t) = P$ and $f(t) = f$ for all t .
- P is upper triangular
- The diagonal elements of P, P_{ij} are strictly less than unity for all j .

Consequently, the recruitment vector of the system under proportionality restrictions can be written as:

$$r(t) = r_1(t)e_1 + n(t)(P - D)G \quad (3.12)$$

Where $e_1 = (1, 0, 0, \dots, 0)$ and G is a diagonal matrix given by

$$G = \begin{pmatrix} 0 & 0 \\ 0 & f \end{pmatrix} \text{ Which can be written as } G = \text{diag}(0, \frac{1}{f_2}, \frac{1}{f_3}, \dots, 1/f_k) \text{ where } \bar{f} = \text{diag}[f_2, f_3, \dots, f_k] \text{ and a } (k-1) \times (k-1) \text{ diagonal matrix.}$$

To obtain the transition equation of the f -system, which takes into account the effect of the proportionality restrictions, the matrix Y is defined by $Y = P + (P - D)G$.

Therefore, the transition equation of the f -system can be written as:

$$n(t+1) = n(t)Y + r_1e_1 \quad (3.13)$$

In equation (3.10), the second term on the RHS is the controllable part of the recruitment, which is the recruitment to grade 1 only; while the first term represents the combined effect of the promotions together with the concomitant system-driven recruitment and when it is repeated, it yields:

$$n(t) = n(0)Y^t + \sum_{i=0}^{t-1} r_1(l)e_1 Y^{t-l-1} \quad (3.14)$$

The long-term behavior of the system structure $n(t)$ is controlled by the BGR sequence. From equation (3.11), it can be seen that the sequence of structure $n(t)$ of the system is bounded if and only if the BGR is a bounded sequence.

The structure of the system, $n(t)$, converges to a limit denoted by $n(\infty)$. The limiting structure is given by:

$$q(\infty) = r_1e_1(I - Y)^{-1} \quad (3.15)$$

The steady-state configuration vector of the system is given by:

$$q(\infty) = \frac{r_1e_1(I - Y)^{-1}}{r_1e_1(I - Y)^{-1}I^T} \quad (3.16)$$

In practice, the objective of the management is expressed in terms of a steady-state structure and steady-state total strength of the organization using the BGR.

If N is the desired steady-state total strength, then it is related to r_1 by:

$$N = r_1e_1(I - Y)^{-1}I^T \quad (3.17)$$

The behaviour of the system dependent recruitment sub-vector \bar{r} can be deduced from that of $n(t)$ using equations (3.12).

3.2 REAL DATA AND DISCUSSION

The study draws data from the Rural Planning Directorate in the Ministry of Devolution and Planning in Kenya. The Directorate exhibited a relatively stable structure over a four (4) year period and data pertaining to these years were drawn from the records in the directorate's human resource section. The data pertain to the Economists in the directorate. The data were gathered for job group "K" to "Q" (Economists II, Economists I, Senior Economists II, Senior Economists I, Principal Economists and Deputy Chief Economists) and were regarded as grade 1-6 only as the higher job groups i.e. R and T were found to be too small in size and comprising of directors, Economic Planning Secretary and the Permanent Secretary in the Ministry. These cadres (grades) comprised of Chief Economists. Information revealed that grade 1 was the entries grade hence the lowest grade of Economists in supervisory positions. The department (directorate) had a policy of recruiting Economists from external sources into grade 1 and absorbing Economists from other directorates and line ministries in grades 2 and 3 only. Grade 1 was, therefore, pure recruits without any necessary experience. Recruitment was, therefore, strictly into grades 1 only, however, no promotion to this grade was observed. Promotions were observed in grades 2 to 6 only.

4.0 RESULTS

The average figures for the directorate are summarized in table 4.1. The transition probability matrix and wastages vector for the system were derived as shown in the P matrix.

The P -Matrix will take the following format:

	1	2	3	4	5	6	W^T
1	0.898	0.056	0	0	0	0	0.046
2	0	0.857	0.083	0	0	0	0.060
3	0	0	0.861	0.074	0	0	0.065
4	0	0	0	0.881	0.056	0	0.063
5	0	0	0	0	0.85	0.067	0.083
6	0	0	0	0	0	0.906	0.094

The records of the directorate indicated that it followed proportionality policies in that recruitment was prohibited to grade 4 and above and recruitment to grade 1 was restricted by policy to be half the number of promotions into it as well as the number of economists from other directorates and line ministries joining grades 2 and 3.

Since recruitment to grade 4 and above is zero, we therefore have $f_j = \infty$, for $j \geq 3$

$j = 3, f_3 = 3$ and $f_1 = 0$, as always in this model.

Therefore, $f = \text{diagonal } (0, 2, \infty, \infty, \infty)$.

This leads to the derivation of the Y matrix as follows.

$$Y = \begin{pmatrix} 0.898 & 0.056 & 0 & 0 & 0 & 0 \\ 0 & 0.857 & 0.083 & 0 & 0 & 0 \\ 0 & 0 & 0.861 & 0.074 & 0 & 0 \\ 0 & 0 & 0 & 0.881 & 0.056 & 0 \\ 0 & 0 & 0 & 0 & 0.85 & 0.067 \\ 0 & 0 & 0 & 0 & 0 & 0.906 \end{pmatrix}$$

The average steady-state recruitment to grade 1 was 25 workers per year.

With these parameters, the steady-state structure as estimated by the model using equation (3.15) is predicted $n(\infty) = (245.10, 95.96, 57.33, 35.65, 13.30, 9.48)$. While, the actual values obtained under these stable conditions are $n(\infty) = (213, 109, 54, 36, 15, 8)$.

It is clear that the steady state structure is fairly close to the observed. When this is subjected to statistical tests, it is noted that there is no significant difference between the observed and the predicted value. Refer to the Chi-square test under table 4.2 in the appendix. The system configuration vectors, actual and as predicted by equation (3.16) are:

- ✓ Actual $q(\infty) = (0.490, 0.251, 0.124, 0.083, 0.034, 0.020)$
- ✓ Predicted $q(\infty) = (0.537, 0.210, 0.125, 0.078, 0.029, 0.021)$.

5.0 CONCLUSION AND RECOMMENDATION

Markov Manpower system model which incorporates the proportionality policies which are adhered to by many institutions has been developed. It is clear that controllable recruitment variable in such systems is the BGR, which actually determines the long-term behaviour of the system, and that such systems can be made to approach a steady state in the limit if the BGRS is also made to converge to a limit. It is also clear that a system represented by this model as compared to the general model does not compromise on its flexibility. This is clear as the theoretical analyses have been substantiated by applying them to real-world data and the theoretically predicted characteristics have been found to be in conformity with the actual.

It has been noted that this model can be used to achieve a desirable blend of existing and fresh external manpower in an organization hence it yields more practicable means of control of the system. Therefore, it is recommended for organizations which outsource a part of their work, however, since recruitment is only restricted in the first, second and third grades, many people work for long in the organization hence a research need to be done to establish the effects of the length of service of employees within an organization.

REFERENCES

- Anderson.E.G. (2001). The Nonstationary Staff-Planning Problem with Business Cycle and Learning Effects. *Management Science* 47(6), 817-832.
- Bartholomew.D.J. (1982). *Stochastic Models for Social Processes*. New York: John Wiley 3rd edition.
- Bordoloi, S., & Matsuo. (2001). Human Resources Planning in Knowledge Intensive Operations: A model for learning with stochastic turnover. *European Journal of Operation Research* (130), 169-189.
- Darko.S, & Damjan.S.V. (2008). The Modelling of Manpower by Markov Chains- A case study of the Slovenian Armed Forces. *Information* (32), 289-291.
- Dharamvirsinh.P, Sarita.R, & Prashant.M. (2013). Application of Markovian Theory in Manpower Planning-A case Study. *Global Research Analysis* 2(7), 122-124.
- Gaimon.C, & Thompson.G.L. (1984). A distributed Parameter Cohort Personnel Planning Model that Uses Cross-Sectional Data. *Management Science* (30), 750-764.
- Grinold, R. (1974). Optimal Control of a graded Manpower System. *Management Science* (22), 1201-1216.
- Jaroslawa, O. (2014). Forecasting Internal Labour Supply with a use of Markov Chain analysis. *International Journal of Knowledge, Innovation and Entrepreneurship* 2(2), 39-49.
- Nilakantan.K, & Rachavendra.B.G. (2008). Length of Service and Age Characteristics in Proportionality Markov Manpower Systems. *IMA Journal Management Mathematics* (19), 245.
- Ossai.E.O, & Uche.P.I. (2009). Maintainability of Departmentalized Manpower Structures in Markov Chain Model. *Pacific Journal of Science and Technology* 10(2), 295-302.
- Rachid, B., & Mohamed, T. (2013). A Markov Model for Human Resource Supply Forecast Dividing the HR System into Subgroups. *Journal of Service Science and Management*, 211-217.
- Rao.P. (1990). A dynamic Programming Approach to determine Optimal Manpower Recruitment Policies. *Journal of Operation Research* (41), 983-988.

APPENDICES

TABLE 4. 1: AVERAGE FIGURES FOR THE DIRECTORATE

Observation	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
Average size	213	109	54	36	15	8
Avg.no. of promotions into grade	—	12	9	4	2	1
Avg. recruitment into grade	25	6	4	0	0	0
Avg. Wastages from grade	9.75	6.5	3.5	2.25	1.25	0.75
w_i	0.046	0.060	0.065	0.063	0.083	0.094
$P_{jj} + 1$	0.56	0.083	0.074	0.056	0.067	—
P_{jj}	0.898	0.857	0.861	0.881	0.85	0.906

TABLE 4.2: CHI-SQUARE

Observed Value (O)	Predicted Value (P)	$(O - P)^2$	$(O - P)^2/P$
213	245.10	1030.41	4.20
109	95.96	170.04	1.77
54	57.33	11.09	0.19
36	35.65	0.12	0.00
15	13.30	2.89	0.22
8	9.48	2.19	0.23
435	456.82		6.61

$$X_c^2 = \sum \frac{(O-P)^2}{P} = 6.61,$$

At 95 confidence level, $X_{0.05(5)}^2 = 11.0705$

Therefore, since $X_c^2 < X_{0.05(5)}^2$, we accept the null hypothesis and conclude that there is no significant difference between the observed and predicted values.

IMPLEMENTATION OF INDUCTIVE TEACHING STYLE IN ENGINEERING COLLEGES, BENGALURU**KISHORE M N****ASST. PROFESSOR****K S SCHOOL OF ENGINEERING & MANAGEMENT
BANGALORE****ARPITHA R****ASST. PROFESSOR****K S SCHOOL OF ENGINEERING & MANAGEMENT
BANGALORE****PRADEEP****ASST. PROFESSOR****K S SCHOOL OF ENGINEERING & MANAGEMENT
BANGALORE****ABSTRACT**

Teachers have a great impact on the students' career and the right direction showed by the teacher's results in always better life in both professional and personal. This paper indicates the concept of inductive teaching methodology such as prototypes; project based learning, case studies, inquires learning and gain of in-depth knowledge in engineering colleges at Bengaluru and also included challenges and implementation part of the inductive teaching to the students' community.

KEYWORDS

career, inductive, innovation, teaching

INTRODUCTION

Inductive teaching is a method to attract and retain the students in the class rooms by instructing to Notice, instead of explaining the concept and asking them to follow.

DEDUCTIVE Vs. INDUCTIVE LEARNING

Traditional approaches of teaching are deductive and inductive methods, where deductive teaching includes rules, procedures, guiding principles and application of theories. In this method of teaching the teacher gives instructions to students by explaining and making them understand the concepts and request to practice but inductive involves motivating the students to gain in depth and insight subject knowledge by adopting various methods such as case study, project based learning, solving real time problems and through active learning concept. It means the inductive method learning are more student centered [1].

Inquire learning is process where students are assigned with challenging tasks by giving structured questions and telling them to collect the data, tabulate the data followed by analysis, interpretation and framing conclusions and when students starts to answer questions and make valuable observation; results in effective learning [2].

PROBLEM BASE LEARNING (PBL)

In this method starts with open ended, real time issues to identify the variables to obtain solutions and the class time devoted to: (a) groups reporting out their progress on previous learning issues and listing their current learning issues and plans of work, (b) mini-lectures giving information on issues being dealt with by all groups, clarifying common difficulties, and suggesting additional learning issues, and (c) whole class discussion. The PBL can be implemented by different ways such as making the groups of 7-10 students under supervision of a faculty member and students tries to solve the problems by discussing among themselves [3].

CASE STUDY

It is the most common methods adopted in reputed engineering colleges to solve the problems with accuracy. This student's emphasis on students to read more relevant topics, acquire knowledge and skills and discuss the issues and creates the platforms to solve it very effectively.

EVALUATION

Dochy [4] et al. [64] published a meta-analysis of the effectiveness of problem-based learning The authors identified 43 empirical studies of the effects of PBL on knowledge acquisition and development of problem-solving skills in college students. Only studies that utilized natural classroom instruction (as opposed to controlled laboratory studies) were included in the data base. The average effect size was calculated both in an unweighted form and with each effect size weighted by the inverse of the variance (which being proportional to N gives greater weight to larger samples).

LITERATURE REVIEW

As per Jan H. Hulstijn (2005) [5] research study explores that the deductive and inductive approaches to explicit grammar instruction in comparison to one another & also it tries to describes the distinction between explicit and implicit grammar instruction and states that instruction is explicit or implicit when learners do or do not receive information concerning rules underlying the input, respectively

According to Bransford, J.D et al (2000) [6] studies suggest that a better way to motivate or influence students is inductive teaching, in which the instructor begins by presenting students with a specific challenge, such as experimental data to interpret, a case study to analyze, or a complex real-world problem to solve. Students grappling with these challenges quickly recognize the need for facts, skills, and conceptual understanding, at which point the teacher provides instruction or helps students learn on their own.

Bruner (1961); French (2006) [7] research work suggest that students come across with challenge and emphasis to work themselves to obtain solution. The mentors offer feedback to the students and guide them in right directions. The students do different trial and errors under the supervision of teachers where inductive methods are used.

PROBLEM IDENTIFICATION

As most of the teachers in engineering colleges are affinities towards in deductive teaching because of several reasons such as huge administrative activities of the college with time dead line, lack of interests, not bothered about much student's career and other demotivation factors. To bring more transformation in teaching, the teachers are motivated to change their teaching styles to inductive methods. This paper reveals the concept of inductive method of teaching and also enlightens the challenges and implementation of inductive learning.

OBJECTIVES OF THE STUDY

1. To understand the concept of inductive teaching
2. To identify the challenges of the inductive teaching in engineering colleges
3. To study a partial part of implementation of the inductive methods in the engineering colleges

SCOPE OF THE STUDY

The study is to know the variables of inductive concept followed by the teachers in engineering colleges and the study is restricted to its challenges and partial implantation of the inductive model for better improvement of students' performance.

RESEARCH DESIGN

Research type: Exploratory research is used to collect the data

Sampling type: Stratified sampling is used to collect the strata (Engineering college teachers and students)

Sampling Size: 115 teachers from various engineering colleges

Source of Data: The data is collected from teaching members from various engineering colleges of Bengaluru through structured questionnaires.

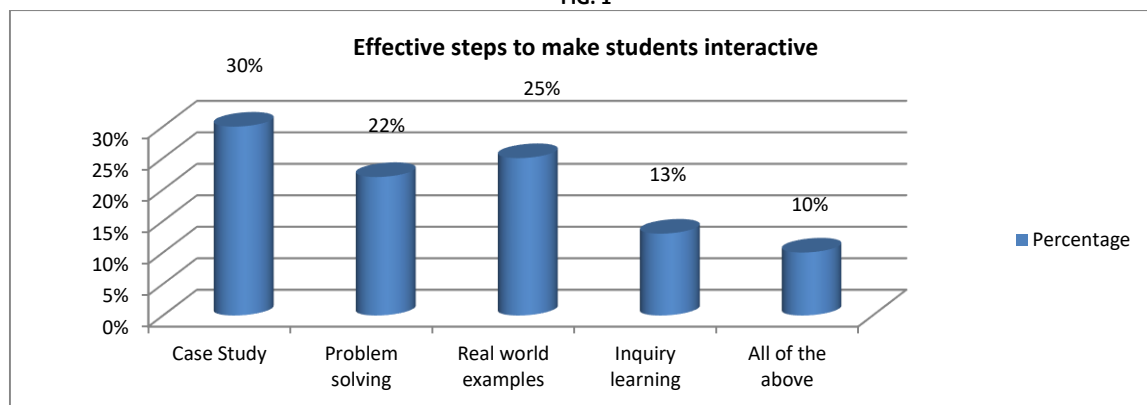
Statistical tools: Mean is more appropriate for data analysis and represented through tables, charts and diagram.

LIMITATION OF THE STUDY

- The study is restricted to Bengaluru engineering colleges.
- The respondents are limited to faculties of selected branches
- The work is partial and further study has to be carried out.

DATA ANALYSIS**TABLE 1: SHOWS LIST OF EFFECTIVE STEPS CARRIED TO MAKE STUDENT INTERACTIVE IN CLASS**

SI.NO	Particulars	No.of respondents	Percentage (%)
1	Case Study	35	30
2	Problem solving	25	22
3	Real world examples	28	25
4	Inquiry learning	15	13
5	All of the above	12	10
Total		115	100

FIG. 1**TABLE 2: SHOWS FREQUENCY STUDENTS SOLVING CASE STUDIES**

SI.NO	Particulars	No.of respondents	Percentage (%)
1	Never	15	13
2	Rarely	25	22
3	Sometimes	25	22
4	Often	35	30
5	Always	15	13
Total		115	100

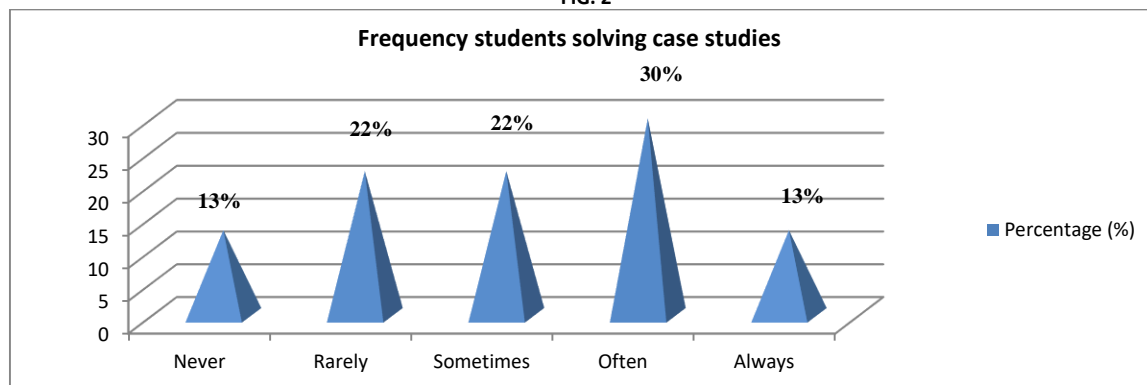
FIG. 2

TABLE 3: SHOWS REAL WORLD EXAMPLES TO MAKE STUDENTS TO UNDERSTAND THE SUBJECT IN BETTER WAY

Sl.NO	Particulars	No.of respondents	Percentage (%)
1	Never	10	9
2	Rarely	25	22
3	Sometimes	35	30
4	Often	25	22
5	Always	20	17
Total		115	100

FIG. 3

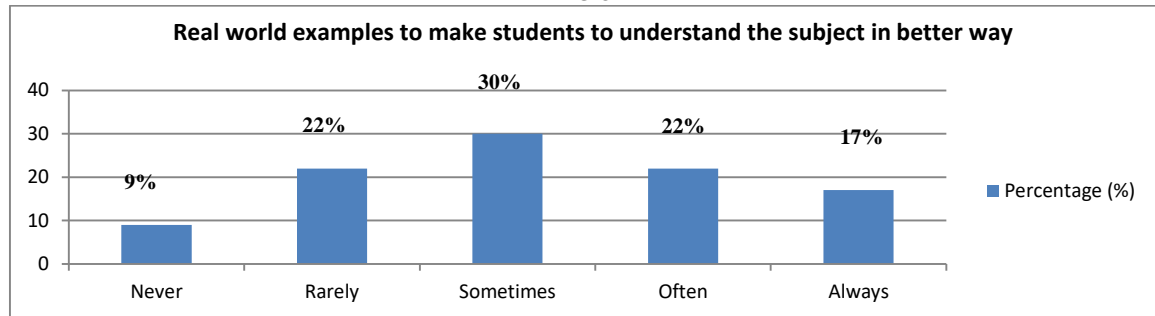


TABLE 4: SHOWS ADAPTATION OF INQUIRY LEARNING METHOD IN TEACHING

Sl.NO	Particulars	No.of respondents	Percentage (%)
1	Never	15	13
2	Rarely	30	26
3	Sometimes	25	22
4	Often	20	17
5	Always	25	22
Total		115	100

FIG. 4

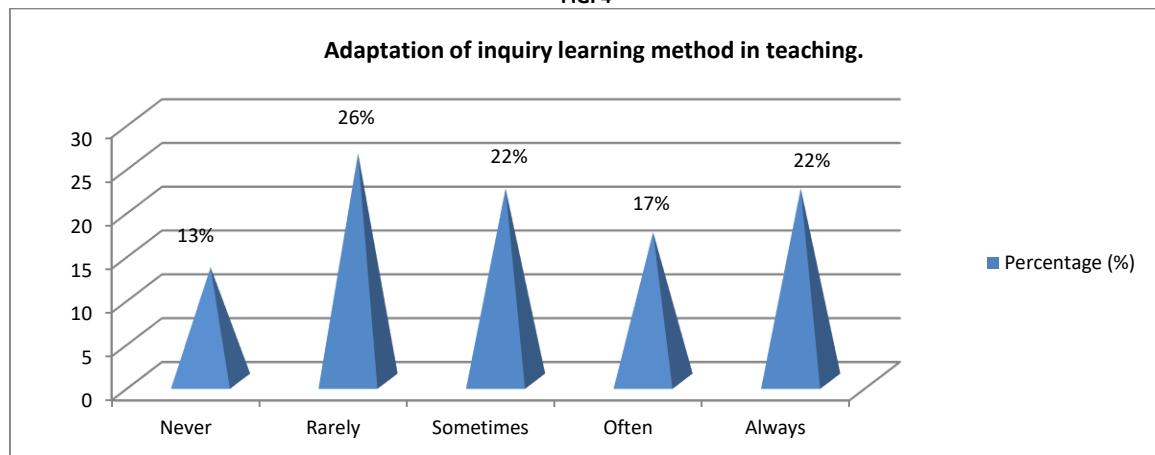


TABLE 5: SHOWS FOCUSING THE COURSE ON REAL ENGINEERING PROBLEMS MADE THE COURSE SEEM MORE RELEVANT TO YOUR INTERESTS?

Sl.NO	Particulars	No.of respondents	Percentage (%)
1	Never	30	26
2	Rarely	15	13
3	Sometimes	20	17
4	Often	25	22
5	Always	25	22
Total		115	100

FIG. 5

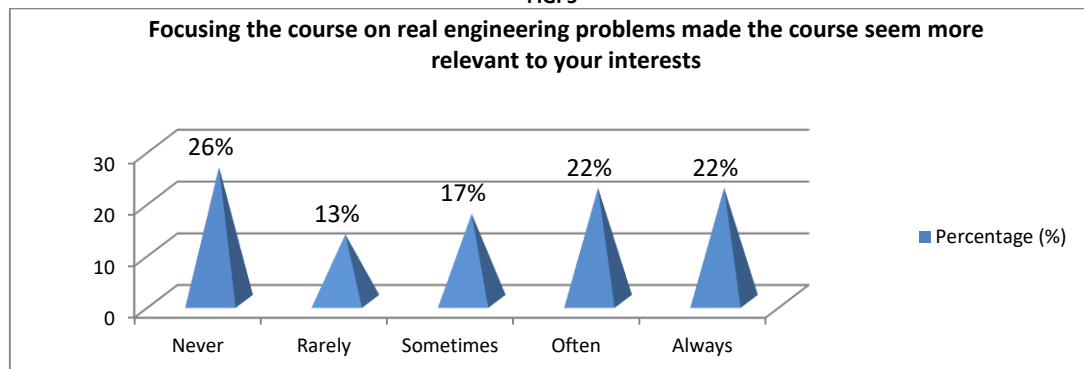
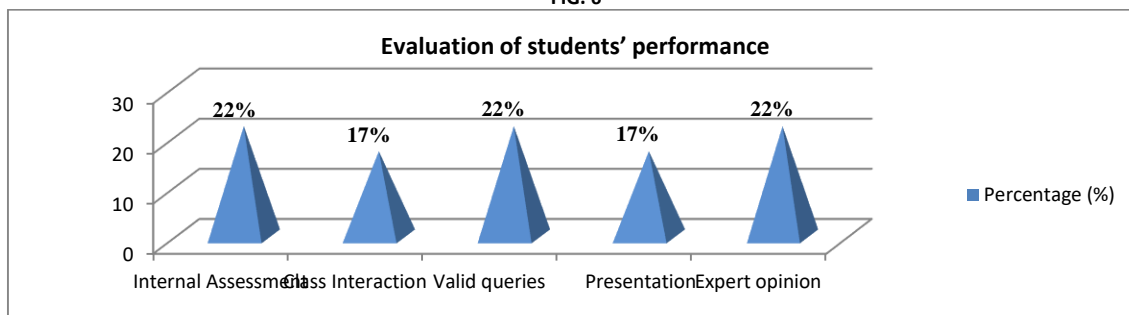


TABLE 6: SHOWS EVALUATION OF STUDENTS' PERFORMANCE

Sl. NO	Particulars	No. of respondents	Percentage (%)
1	Internal Assessment	25	22
2	Class Interaction	20	17
3	Valid queries	25	22
4	Presentation	20	17
5	Expert opinion	25	22
Total		115	100

FIG. 6



FINDINGS

1. Most of the respondents say that case study & real world examples are the effective steps carried to make student interactive in class.
2. Most of the respondents agreed that solving case studies often and sometimes may increase the student involvement in the class.
3. Majority of the respondents suggested that real world examples often and sometimes with subjects make the students to understand the subject in better way.
4. Most of the respondents say that adaptation of inquiry learning method in teaching. Will enhance the interest in the particular subjects.
5. Almost few of the respondents say that focusing the course on real engineering problems sometimes & often made the course seem more relevant to your interests?

SUGGESTIONS

1. The colleges must take effective steps during class times to make the students more interactive in the subjects & class.
2. It is necessary that each & every college must try to relate the subjects with often cases and real world examples to increase the interest and likelihood of students & make more interactive in class.
3. The respective Colleges & related subject faculties must focus the course on the existing engineering problems to make the course seems more interested in class.
4. The engineering & other course colleges must adapt to inquiry learning methods in teaching that will enhance & impact on their interest in learning & adapting to the subjects.
5. The colleges must quickly recognize the need for facts, skills, and conceptual understanding, at which point the teacher provides instruction or helps students learn on their own.

CONCLUSIONS

The paper concludes that the better way to motivate students is inductive teaching, in which the Instructor begins by presenting students with a specific challenge. Inductive teaching and learning is an umbrella term which incorporates a range of instructional methods, inquiry learning, problem-based learning and real world examples, project-based learning, case-based teaching, discovery learning, and just-in-time teaching. These all of methods will impose more interest & responsibility on the students and trainer for their own knowledge than the old traditional deductive approach does. The Instruction is required for students to fill in gaps and induce material presented by the instructor. The goal should be to discourage the students away from dependence on instructors as primary sources of required information, helping them to become self- learners.

REFERENCES

1. Michael j. Prince and Richard M. Felder, "Inductive Teaching and Learning Methods: Definitions, Comparisons, and Research Bases".
2. Bateman, W., Open to Question: The Art of Teaching and Learning by Inquiry, San Francisco: Jossey-Bass, 1990.
3. Duch, B.J., "Models for Problem-Based Instruction in Undergraduate Courses," in Duch et al. [49], Ch. 4.
4. Dochy, F., M. Segers, P. Van den Bossche, and D. Gijbels, "Effects, of Problem-Based Learning: A Meta-Analysis," Learning and, Instruction, Vol. 13, 2003, pp. 533–568.
5. Hulstijn, J. H. (2005). Theoretical and empirical issues in the study of implicit and explicit second-language learning. Studies in Second Language Acquisition, 27, 129-140.
6. Bransford, J.D., A.L. Brown, and R.R. Cocking, eds. 2000. How people learn: Brain, mind, experience, and school. Washington, DC: National Academy Press. Available online at www.nap.edu/books/0309070368/html
7. Bruner, J.S.1961. The act of discovery. Harvard Education Review 31 (1): 21–32.

IMPACT OF GREEN BRAND AWARENESS AND GREEN BRAND TRUST ON GREEN BRAND PREFERENCE AMONG TEENAGERS IN ERNAKULAM

RIYA MARY
ASST. PROFESSOR
SCHOOL OF COMMERCE
RAJAGIRI COLLEGE OF SOCIAL SCIENCES
KALAMASSERY, ERNAKULAM

ABSTRACT

The awareness about the environmental stresses that are placed on the planet is spreading globe wide, this has implications on various activity spheres of the human life. The world of marketing is also turning green and the number of advertisers attempting to present an eco-friendly green image has increased over the years. India is considered to be one among the green friendly countries of the world. The consumers are now showing a greater concern for environmental conservation and hence are more interested in green products. The study aims at understanding the impact of green brand awareness and green brand trust on green brand preference among teenagers. The study is conducted with special reference to the FMCGs. The Impact of Green brand awareness on green brand preferences studied with the mediating effect of green brand trust.

KEYWORDS

Green Brand Awareness, Green Brand Preference, Green Brand Trust

INTRODUCTION

The increasing concern for environmental issues among the customers and the marketers has driven the market into a 'Go Green Concept'. The society has become more conscious of environmental issues and this imposes a major challenge before the modern marketers. The consumers are now more ecologically conscious and hence prefer 'Green brands.' Green friendly consumers are receptive towards green advertisements and Green products. Green marketing is often attributed to concepts like reusable, degradable, Zero CFC, Zero carbon and so on.

Green marketing refers marketing of products that are environmentally preferable to the consumers as well as the society. It includes a wide range of activities including modification of the product, product process, developing a package design that is environment friendly and modification of the advertising pattern of the product. The concept of green marketing was evolved during the late 1980s and early 1990s. The American Marketing Association conducted a workshop on 'Ecological Marketing' which resulted in the publication of the first book on green marketing, "Ecological Marketing" (Henion and Kinnear 1976).

The concept of Green marketing is yet to be comprehensively defined however, it can be defined as "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment." (Polonsky, 1994)

The study focuses on the customer awareness on Green Brands and its impact on Green Brand Trust, as the customers who have more awareness on Green brands are likely to have a greater Brand Trust. This relation is also studied with the mediation effect on Brand Preference of the customer. The study is conducted among teenagers in order to analyze the environment consciousness of the teenage group.

REVIEW OF LITERATURE

Consumers who exhibit positive attitude toward green advertisements also impose trust in the firm's products, further the extent to which consumers feel that green advertising is valuable to the society and is a good business practice; the more positive is their response to such companies' products. (Nagar, 2013). Many customers may not be willing to pay a premium for green products which may affect the sales of the company. It requires the companies to extensively communicate the presence and benefits of green marketing to the customers by means of various tools available for integrated marketing communication. Eco-labeling could be a good way to convince the customers regarding green products. Consumers might be willing to pay premium price if they see additional benefit (such as quality, environmentally safe product, fuel-efficient vehicles, and non-hazardous products) attached with the product (Bhatia and Jain, 2013)

There is a strong positive relationship between green advertisement and green brand awareness. The reason behind this relationship is that if companies use true environmental friendly and green claims in their advertisements and devise their marketing and advertising strategies in environmental concern then it will persuade the existing and potential customers to purchase the environmental friendly products. Green brand awareness has a positive impact on purchasing green products. If companies create brand awareness regarding their green brands, products and corporate image through brand equity then it will create knowledge for customers to get aware about the company offering which will result in final purchase (Zubair, 2015)

Youth have a positive attitude towards green marketing and favorable purchase intentions for green products. This stratum of society is going to play a vital role in future as more than half of the consumers are in this age group in our country. Marketers can reap benefits by understanding the psyche of this group and the future of green marketing appears to be promising in India. (Dubey, Malik, 2014). Price of green products was also found to be one of the factor that influence the purchase of green products. However, it was found that young consumers are more likely to be influenced by green issues (Cherian and Jacob, 2012)

GREEN BRAND AWARENESS

Brand awareness is defined as the likelihood to recognize and recall the environmental features of the brand. (Keller, 1993). From this definition we derive that green brand awareness is the ability of the consumers to recognize the green policies and practices of a brand. Consumer's perception of the brand will affect their choice (Gunasti and Ross, 2010).

This study intends to test the relationship between the Green Brand awareness and Green Brand Trust assuming that the Green Brand Awareness of the consumer increases the green Brand trust.

GREEN BRAND TRUST

Green Brand trust is a willingness to depend on a product or service based on the belief or expectation resulting from its credibility, benevolence, and ability about environmental performance (Chen, 2010). We refer to Chen (2010) to measure green trust and its measurement includes five items:

1. You believe that this product's environmental image is generally reliable.
2. You think that this product's environmental functionality is generally dependable.
3. Overall, you believe that this product's environmental claims are trustworthy.
4. This product's environmental performance meets your expectations.
5. This product keeps promises for environmental improvement.

Green Brand Trust is assumed to have a mediating influence on Green Brand preference, where the higher the level of Green Brand Awareness of the customer, the higher the Green Brand Trust is and this in turn influences to increase the Green Brand preference.

GREEN BRAND PREFERENCE

Brand preference is important for diffusion of innovation in any context as it provides a lot of benefits such as having strong competitive power and unique position in the market (Delgado-Ballester and Munuera-Aleman, 2005). The Consumer's perception of the brand will affect their choice (Gunasti and Ross, 2010). This study assumes a positive influence of Green Brand Awareness and Green Brand Trust on Green Brand Preference.

NEED AND SIGNIFICANCE OF THE STUDY

There is a global tendency to shift towards green marketing. The consumers and manufacturers have begun to adapt a green concept, though the factors that drive them towards such initiatives may vary. It is evident that there is a competitive advantage that a marketer can gain by going green.

India is considered to be the third largest economy by the year 2030. The Indian market is looked upon by investors as one of the most promising markets of the world. The country also has an advantage of having a majority of its population in the age group of 15 – 45. It is in this context that a study is conducted to understand the level of green brand awareness among teenagers and also to analyse the relationship between green brand awareness, green brand trust and green brand preference. It helps the manufacturers to understand the green brand awareness level of teenagers and also to understand the significance of creating green brand awareness among consumers.

STATEMENT OF THE PROBLEM

Impact of green brand awareness and green brand trust on green brand preference among teenagers. The study is conducted with special reference to the FMCGs. The Impact of Green brand awareness on green brand preference is studied with the mediating effect of green brand trust.

OBJECTIVES OF THE STUDY

1. To study the direct relationship between green brand awareness and green brand preference.
2. To analyze the mediating effect of green brand trust on green brand preference.
3. To understand the significance of creating green brand awareness among teenagers.

RESEARCH METHODOLOGY

The relationship between green brand awareness, green brand trust is tested through a survey conducted among teenagers in Ernakulam district.

The population of the study was the teenagers in Ernakulam District and the study mainly focused on FMCGs. A self-administered questionnaire was used to collect data from the respondents. The questionnaire was distributed in different shopping malls to 100 respondents based on convenience sampling technique.

The three constraints, Brand Awareness, Brand Trust and Brand Preference were measured using Five Point Likert Scale.

The data was analyzed using R software for statistical computing and graphics. Correlation Analysis was done to understand the degree of relationship between the three variables. The technique of Boot Strapping, which is a technique of re-sampling was used to enhance the reliability of the study. The mediating effect of Green Brand Trust on Green Brand Preference was analyzed using Bootstrapping.

RESULT AND DISCUSSION

There is a positive correlation between Green Brand Awareness and Green Brand Trust($r=.65$) and also between Green Brand Trust and Green Brand Preference($r=.66$). It is also found that the correlation between Green Brand Awareness and Green Brand Preference is positive ($r=.65$), as can be seen in Table 1.1. This indicates that there is a positive influence of Green Brand Awareness and Green Brand Trust on /green Brand Preference.

From a simple mediation analysis conducted using ordinary least squares path analysis, Green Brand Awareness has an influence on the Green Brand Preference of the customers. Green Brand Trust is influenced by Green Brand Awareness. As can be seen in Table 1.2, Respondents who have a higher level of Green Brand Awareness have a higher level of Green Brand Trust ($a = 0.794$), and those who have a higher level of Green Brand Trust have a higher level of Green Brand Preference ($b = 0.419$). A bias-corrected bootstrap confidence interval for the indirect effect ($ab = 0.332$) based on 5,000 bootstrap samples was entirely above zero (0.212 to 0.469), at confidence level of 95. There is evidence that the Green Brand Awareness Influences Green Brand Preference directly.

($c' = 0.478$), there is also a mediating effect of Green Brand Trust.

It is evident from the study that the Green Brand Awareness among teenagers in Ernakulam has an influence on the Green Brand Trust. Green Brand Trust of the customers leads to greater Green Brand Preference among teenagers. Hence it can be concluded that there is a partial mediation of Green Brand Preference in the influence of Green Brand Awareness on Green Brand Preference for FMCG's.

TABLE 1.1: CORRELATION ANALYSIS

	Green Brand Awareness	Green Brand Trust	Green Brand Preference
Green Brand Awareness	1.0	.654	.653
Green Brand Trust	.654	1.0	.662
Green Brand Preference	.653	.662	1.0

TABLE 1.2: EFFECT ON GREEN BRAND PREFERENCE

Variable	Coefficient
Green Brand Trust	0.419
Green Brand Awareness	0.478

SUGGESTIONS

1. The FMCG's can gain better trust from the consumers belonging to the teenage group by improving the level of awareness among them.
2. A greater emphasis on the creation of awareness of the green policies and concepts of the brand will help to improve the Green Brand Trust and thereby Green Brand preference of the customers.
3. As there is a global trend of going back to the nature, the consumers are also following the trend in their buying behavior. There is a growing need to cater to the environment friendly preferences of the consumers.
4. As the age group of 13 – 19 is a significant majority of the Indian Market, It is significant to note that there is preference for environment friendly concepts among teenagers.
5. Brand Preference of customers can be enhanced by increasing the level of awareness among the consumers of the teenage group.

CONCLUSION

It can be thus concluded that there is a positive relationship between Green Brand Awareness, Green Brand Trust and Green Brand Preferences of Teenagers in Ernakulam District, with special reference to FMCGs

There is a direct influence of Green Brand Awareness on Green Brand Preference with respect to FMCG's. A mediating effect of Green Brand Trust on Green Brand Preference is also proven from the study.

It can be thus derived that it is important for the marketers to create an awareness about the Green Practices that they are initiating, which will in turn improve the Green Brand Trust and thereby the Green Brand Preference of the customers.

LIMITATION

All possible measures were taken in order to ensure the reliability of the study; the study however has few limitations which are;

1. The study is conducted on a limited sample of the population.
2. The study does not consider the significance of factors such as gender and educational qualification

SCOPE FOR FURTHER RESEARCH

There is scope for further research in the area of Green Brand Awareness among the adults, considering the age and educational background which are factors likely to influence the Green Brand Preferences among adults.

The difference in the Green Brand awareness and Green Brand Trust with respect to gender is to be further explored.

REFERENCES

1. Bhatia, Mayank; & Jain, Amit. (2013). 'Green Marketing: A Study of Consumer Perception and Preferences in India. *Electronic Green Journal*', 1(36). uclalib_egj_18392. Retrieved from: <http://escholarship.org/uc/item/5mc39217>
2. Chen, Y.-S. (2010), 'The drivers of green brand equity: green brand image, green satisfaction, and green trust', *Journal of Business Ethics*, Vol. 93 No. 2, pp. 307-19.
3. Cherian, J. and Jacob, J. (2012). 'Green Marketing: A Study of Consumers' Attitude towards Environment Friendly Products.' *Journal of Asian Social Science*, Vol. 8, No. 12, pp. 117-126.
4. Delgado-Ballester, E. and Munuera-Aleman, J.L. (2005), 'Does brand trust matter to brand equity?', *Journal of Product and Brand Management*, Vol. 14 Nos 2/3, pp. 187-96.
5. Dubey, S.K, Malik Rajeev Kumar, 'Attitude of Students towards Green Marketing: A Case Study of Banaras Hindu University', *IPE Journal of Management*, 4:1, pp53-67.
6. Gunasti, K. and Ross, W. (2010), 'How and when alphanumeric brand names affect consumer preferences', *Journal of Marketing Research*, Vol. 47 No. 6, pp. 1177-92.
7. Henion, Karl E., and Thomas C. Kinnear. 1976a. 'Ecological Marketing. Columbus', Ohio: American Marketing Association.
8. Keller, K.L. (1993), 'Conceptualizing, measuring, managing customer-based brand equity', *Journal of Marketing*, Vol. 57 No. 1, pp. 1-23.
9. Nagar, Komal (2013) 'An empirical investigation into the influence of green advertising on brand loyalty', *Journal of Services Research*, 13:2, pp 71-94.
10. Polonsky, J., Rosenberger, & Ottman, J. (1998). 'Developing Green Products: Learning from Stakeholders', *Asian Pacific Journal of Marketing and Logistics*, 10(1), 22-44.
11. Zubair, Tariq. Muhammad, 'Impact of Green Advertisement and Green Brand Awareness on Green Satisfaction with Mediating Effect of Buying Behavior', *Journal of Managerial Sciences*, 8:2, pp 274-289.

A DESCRIPTIVE STUDY ON BUSINESS ETHICS

HARSHA SAHU

ASST. PROFESSOR

DEPARTMENT OF MANAGEMENT STUDIES

GURU GHASIDAS VISHWAVIDYALAYA

BILASPUR

ABSTRACT

Ethics in Business has gained momentum over the last few decades with the advent of competition. A decade ago competition was relatively low. However, with the increase in struggle at an alarming rate, some business organizations are resorting to unethical practices which are ultimately harming the human kind and their values. There is a growing realisation all over the world that ethics is very essential for any business to grow. Ethics and business go together; it means if there are good ethics, there is good business. Even the government of every nation across the world is stressing upon business corporate to be ethical and follow ethical practices. "In law a man is guilty when he violates the rights of others, but in ethics, he is guilty if he only thinks of doing so." Hence, higher education must pay more attention to helping students understand how to lead ethical lives. The aim of this study is to investigate the common sources of ethics and to understand the impact of business ethics over the organization as well on the nation by analysing its pros and cons.

KEYWORDS

business organizations, competition, ethics, human kind, unethical practices.

INTRODUCTION

Business ethics are gaining impetus day by day. The concept of LPG i.e. liberalization, privatization and globalization has changed the concept of doing business. They have added creative and innovative ideas to business which has simplified the procedures of carrying out business at the global level. But, it has also invited a series of by-products in terms of crime, scams, corruption, favouritism, nepotism and loss of faith. Thus, business ethics has become the need of the hour.

Business ethics matters here because a lot of evidences have proved that unethical behaviour, not only cost a company, its reputation, but also deteriorates the image of a country globally e.g. in the Satyam Scandal, India's global image was tarnished. So, it is very necessary for every business organization to follow and practice some sort of ethics like transparency, honesty, integrity, respect, honour, truthfulness etc.

It has been seen that ethical behaviour towards both business and society has benefitted a firm a lot. For instance, take the case of Starbucks, which is being considered as one of the world's most ethical companies (Smith, 2012). It is an American global coffee company and Italian-styled coffeehouse chain, based in Seattle, Washington with 19,972 stores in 60 countries. Over the past 10 years, Starbucks stock (SBUX) has increased in price by 2,200%. Starbucks has made the list of Most Admired Companies in the U.S., the list of 100 Best Companies to Work for, the list of 100 Best Corporate Citizens, the list of the World's 50 Most Innovative Companies, and the list of the World's Most Ethical Companies. According to CEO Howard Schultz, Starbucks' commitment to social responsibility has played a significant role in producing this phenomenal growth.

On the other hand, unethical behaviour brings a portion of the cost for the organization. For example, Wal-Mart very often finds itself slapped with lawsuits that accuse it of predatory pricing, or pricing products too low to drive competition out of business and gain a monopoly in local markets. Among several lawsuits, the one in 2003 struck, where Germany's High Court ruled Wal-Mart's low-cost pricing strategy "undermined competition."

Wal-Mart also faced charges of monopoly, by making suppliers dependent on them and forcing them to indulge in self-defeating practices, such as pressuring them to sell goods below cost or at prices lower than they would get elsewhere.

Wal-Mart regularly faces lawsuits from employees accusing the company of forcing them to work overtime without pay and denying them health insurance. The allegations against Wal-Mart are so numerous that it is a common example of bad ethics.

As a result, in India, in an attempt to check corruption and ensure transparency among business communities, the Confederation of Indian Industry (CII) released a "code on business ethics" for its member companies on July 2011. The code is intended to strengthen the institutional framework that would help drive ethical practices in the organization.

LITERATURE REVIEW

- ❖ Sivaraam Duraisamy and Dr. V. R Nedunchezian in their publication remark that Ethical behaviour of the firms decides not only their brand, but also the image of the country. Ethical behaviour is decided by consistently following some of the recommended standards accepted by the firm, community, laws, regulations and agreements.
- ❖ According to Hunt and Vitell (1986) the individual ethical perception of the situation is influenced by a sum of cultural, organizational and industrial environment along with personal experiences.
- ❖ Dr. Poonam Kain and Dr. Sonika Sharma in their study of Business Ethics as Competitive Advantage for Companies in the Globalized Era advise that both legally and strategically, India will benefit from improving business ethical standards.
- ❖ Zubin Mulla (2013), in his publication Corporates in India Cannot Afford to be Ethical states that political corruption and administrative corruption has grown to the level that "Corporates in India cannot afford to be ethical".
- ❖ Rania Ahmed Azmi (2006) in the paper Business Ethics as Competitive Advantage for Companies In the Globalization Era suggests that "An integrity approach to business can yield strengthened competitiveness: it facilitates the delivery of quality products in an honest, reliable way.
- ❖ Azim Premji (2012), in his article Capacity building helps ethical behaviour mentions the real threat to the business is from within, from poor ethical standards and lack of integrity that can incalculable harm. He also mentions that the business integrity is directly related to the future of the company. In the last decade the response from the business community to integrity violations and breaches is growing wider and stronger.
- ❖ Mrs. Anita Verma in her study on Role of Ethics in Business Scenario advocates that "Every business organization should follow the basic elements of ethics like respect, honour, integrity, customer satisfaction, persistence, passion, risk taking, transparent, result oriented, truthful, honest, responsible towards it different stakeholders etc. then only a strong organization can be created".

OBJECTIVES OF THE STUDY

The main aim of this research paper is to get acquainted with the concept of business ethics and to understand its impact on business organization by analysing its benefits and limitations. And to know the various sources from which the business people can learn business ethics.

RESEARCH METHODOLOGY

The main source of information in this research study is secondary data. To achieve the aforesaid extensive literature review was done. Data is gathered from secondary sources sourced from published reports, journals, research articles etc.

BUSINESS ETHICS CONCEPT

The word ethics have come from the Greek word, "ethos" meaning character. Here, the word character includes both the individual's character and community's culture. It can be defined as "a specialized study of moral right and wrong that concentrates on moral standards as they apply to business institutions, organizations, and behaviour".

The institute of Global ethics has defined ethics as "obedience to the unenforceable." Ethics is an attempt to distinguish right from wrong, good from bad or desirable conduct from an undesirable one depending upon a particular set of circumstances.

According to Cater Mcnamara "Business ethics are generally coming to know what is right or wrong in the workplace and doing what is right- this is in regard to the effects of products/services and in relationship with stakeholders".

NATURE OF ETHICS

- Business ethics are a specialized study of moral standards. Here, moral standards mean moral right and wrong that are applicable to business organizations, corporate and industrial institutions.
- It is a form of applied ethics which not only analyse moral norms and standards, but also attempts to apply the findings of this analysis to the business.
- It is concerned with the professional conduct of the businessman which reflects the capacity of businessman as to what extent they inculcate moral values in the corporate decision making process and how their decisions affect the various stakeholders of the society like customers, employees, shareholders, government, community and environment.
- It is the basic framework for doing business which should not be enforced by law. It must be more like self-discipline.
- It is an activity based concept that encompasses quality production of goods and services, employee welfare, consumer and environment protection, prevention of exploitation and fair treatment in society.

SOURCES OF ETHICS

It is being considered that there are three basic sources of ethics which affects the business ethics. These are religion, culture and laws of a state. Since these factors are not same across the globe, hence, the ethics in business also keep on fluctuating depending upon the type of religion and culture being followed by the country people and the legal rules being framed by the government of that specific nation. For instance, what is being prohibited in Hindu religion may not be in another religion.

➤ RELIGION

Religion is the oldest and most important source of ethics. Every religion teaches what is right and what is wrong not only in business, but also in other walks of life. It is believed that ethics are a sign of almighty which helps an individual to distinguish between the right and wrong. Ethics is important both for business and management. Every religion preaches that the wrong doers always have to pay back their dues sometime or the other so, one should not be casual about it. Religious principles play an important role in shaping an individual's economic behaviour. For instance, in Sharia law followed by Muslims, banking precisely prohibits charging interest on loans.

➤ CULTURE

According to Edward Burnett Taylor, culture is "that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society." Culture serves as a guide and shapes the behaviour of people. It defines acceptable and unacceptable actions. As the religion varies from nation to nation, similarly the culture also varies. What is acceptable in one culture may not be in another. For instance, while doing business with Chinese people, one must exhibit a lot of respect and honour because they regard, respect and honour as vital values in their culture. Showing dishonour may result in cancellation of business deal.

➤ LAW

Laws are the system of rules laid down by the legal system of a country in order to govern the behavior of its people. If in business people adhere to the rules and regulations of the law, it is considered as ethical behavior. But if they resort to practices like black marketing, hoarding, tax evasion which is prohibited by law in the state, it is regarded as unethical behavior which is punishable under the law. For example, between 1986 and 1990, activists of London Greenpeace distributed pamphlets with the title "What's Wrong with McDonald's? Everything They Don't Want You to Know" and the wordings "McDollars, McGreedy, McCancer, McMurder, McProfits, McGarbage," because McDonald's promoted Third World poverty, sold unhealthy food, exploited workers and children, tortured animals, and destroyed the Amazon rain forest. The court held McDonald's guilty of exploiting children through advertising tactics, serving dangerously unhealthy food, paying workers low wages, indulging in union busting activities worldwide, and ignoring animal cruelty perpetrated by its suppliers.

ADVANTAGES

Ethics in business have an important impact which determines the overall success of the organization in both short and long run.

✓ PROFITABILITY

The profitability of a company is directly linked to its corporate image and reputation which comes with consistent ethical behaviour and by following ethical practices. If an organization has created a good image in the market by following the road of ethics, definitely is going to attract the investors both from the national and international market to buy its stock. This will ultimately increase the profitability of the company both in the short and long run.

✓ BETTER DECISION

Managers act as a role model for their employees. When they are operating in an ethical manner their employees will also follow them. They will make better decisions based on the principles of ethics. They will be high on integrity, honesty, loyalty and morals. This will benefit both organization and nation.

✓ BUILDS A GOOD IMAGE

The foundation of a building based on ethical behaviour enhances the image of the company in the eyes of the community. This helps in attracting and retaining the talented manpower in the organization, creating and maintaining stability within the organization.

✓ STRONG BOND BETWEEN EMPLOYER AND EMPLOYEE

When management behaves ethically, employees also follow them. Thus, running a business in an ethical manner from top to down creates a strong bond between the employer and employee. This helps in avoiding the management and trade union problems like strikes and lockouts.

✓ LONG TERM GROWTH AND SUCCESS

Stable profits are better as compared to large profits now. Sometimes the lust for big success, in the present based on unethical behaviour brings a lot of uncertainties for the future. Hence, here business ethics act as a guiding factor in determining the long term profitability and success of the company.

✓ COMPETITIVE ADVANTAGE

Ethics brings competitive advantage for the company. It builds confidence among the consumers regarding their brands and products. They trust their brands and remain loyal to them.

IMPACT OF UNETHICAL BEHAVIOR ON BUSINESS IN INDIA

India has been rocked by a flood of scams in the recent past and as a consequence, India is finding its reputations and credibility destroyed due to practices that are harmful and illegal. The government is losing integrity abroad, and reports of corruption are only going to keep investors away. Here is a list of some most shameful scams that hit the country over the years.

1) 2012 COAL BLOCK ALLOCATION SCAM

The coal scam clearly shows our nation's shot to shame. It has already been termed as the mother of all scams, as the black money involved here has swallowed all the other previous scams. The report on the coal scam by CAG (Comptroller and Auditor General), an authority established by the Govt. of India, who audits all the receipts and expenditures by the central government as well as the state governments of India, has accused the Government of India for illegally and irregularly providing our nation's coal deposits to private and state run entities instead of auctioning them in the public. And this has resulted a loss of a whopping 1,86,000 crore rupees to our national treasury in the period 2004 – 2009. There have been estimates released by the media that the actual loss was 10,60,000 crore rupees. And what is more sickening is this that during the period of five years, all the major coal dealings in the country went right under the nose of our Prime Minister.

2) 2010 COMMONWEALTH GAME SCAM

The open scam and loot that took place during the Commonwealth Game is probably one of the most shameful incidents in Indian history. It certainly disgraced the nation in front of other countries and an international audience. According to estimations, 70000 crore INR was spent on the game of which only half the amount was actually spent for the event. The investigation performed by Central Vigilance Commission revealed that various hefty payments were made in the name of non-existent parties and voluntarily delay was made in the preparation process which collectively led to misuse of the funds.

3) 2010 2G SPECTRUM POLITICAL SCAM

The much speculated about 2G Spectrum Scam has been one of the most expensive scams in the nation's record. Former telecom minister Mr. A. Raja was the person who skilfully siphoned 1.76-lakh crore INR by evading the 2G licensing norms. He awarded the 2G accounts at the price rate of 2001 instead of the increased rate in 2008. As a result, India lost an unbelievable huge amount of money, and this might have a severe effect on the country's economy.

4) 2009 SATYAM SCAM

The recent scam that took place in Satyam Computer Service, which is considered one of the most promising IT companies in India, certainly surprised the investors, foreign clients and Indian masses. The 14000 crore worth Satyam fraud is the largest corporate scam in the history of India.

The company's chairperson Ramlinga Raju accomplished his fraudulent actions throughout a decade and kept everyone else in the dark. However, the Indian government's intervention in this matter saved a number of young workers from unemployment and finally the company was taken over by Tech Mahindra

5) 2001 STOCK MARKET SCAM

Ketan Parekh is a former stockbroker from Mumbai, was involved in circular trading throughout the time period and with a variety of companies, including Global Trust Bank and Madhavpura Mercantile Co-operative Bank. He was sent to jail with two others for swindling Rs48 crore from a unit of Canara Bank in a 1992. He has been debarred from trading in the Indian stock exchanges till 2017.

6) 1996 FODDER SCAM

Fodder Scam, popularly known as the 'Chara Ghotala' took place in 1996, in Bihar. In this **major corruption in India** an uncouth connection was detected in the production of "vast herds of fictitious livestock" for which animal husbandry gears, medicine and fodder worth 900 crore INR was allegedly procured. It was indeed a major waste of nation's funds and caused severe damage to the legal and economic situation of the country.

7) 1980-90S BOFORS SCAM

Bofors scam is accepted as the hallmark in the list of top 10 corruptions in India. It took place in the 1980s. The well-known NRI family Hinduja's connection was identified in the Bofors scam. They were accused of taking bribe from Bofors, the largest arms manufacturing corporation of Sweden for a contract they won to supply 155 mm field howitzer to India. A shocking report broadcast by the Swedish radio to reveal the scam. This was a sensitive issue as the matter was related to India's security. However, with the political heads involved in this scam, no proper punishment was given to the offenders.

DISADVANTAGES

Lack of ethics in business brings a wealth of problems not only for business, but also for the society and nation.

➤ LOSS OF COMPANY CREDIBILITY

Lack of ethics in business creates a bad image of the company in public. This results in harm of credibility and loss of key customer base. Even if a business recovers from news about its lack of ethics, it takes a lot of time and money to restore its image and consumer confidence.

➤ HARMFUL EFFECT ON EMPLOYEE PERFORMANCE

A lack of ethics has an adverse effect on employee performance. In some cases, employees are so concerned about making money that they ignore the rules and procedures of the organization. This can lead to careless errors that result in delay in completion of tasks assigned. Moreover, employees who act ethically and follow the rules sometimes feel demotivated since their interest is being ignored and they are left behind, which often leads to a decrease in performance.

➤ ADVERSE IMPACT ON EMPLOYEE RELATIONS

When a manager of an organization shows unethical behaviour, he loses respect in the eyes of his employees, which results in an unsuccessful business because business can't be run without respected leader. It also creates tension and lack of trust among employees, which is detrimental to a business.

➤ INVITES LEGAL ISSUES.

An organization who fails to comply with the state guidelines often faces loss in terms of fines and penalties. Financial gains made from breaking laws can lead to costly legal battles which overall affects the profitability and credibility of the firm

LIMITATIONS**❖ REDUCES FREEDOM TO MAXIMIZE PROFIT**

Decisions based on ethics may sometime restrict a company from the scope of future expansion, merger or acquisition which would have brought a great deal of success to the organization, if followed.

❖ COSTLY

According to attorney Michael G. Daigneault, implementing and maintaining an ethics compliance program is an expensive and time consuming process because ethics policies need to be updated continuously according to the changing organization's culture. It also demands organizational resources and appointment of an ethics officer very often for its proper administration.

❖ LACK OF ACCESSIBILITY TO STRATEGIES

Ethical business may not adopt such strategies which are unethical. In a period of harsh conditions, for example, economic crises they will not adopt such practices which will tarnish their image and hence, resist change. They behave more like stagnant entities without bothering about better or worse.

RECOMMENDATION & CONCLUSION

Ethical issues in business have become more critical today as before. The 21st century has brought a greater complexity to business in terms of globalization, technological changes and competition. Thus, the study of business ethics is remarkable. It is not possible for any law to cover every unforeseen event. At such times, an ethical businessman is expected to keep aside his greed and follow ethical practices because behaving ethically is widely considered as good business practice.

So it is being recommended to understand ethics from scratch otherwise it can hamper your business and can even leave you with a bad impression. Such things will ultimately isolate you from your customers, suppliers, shareholders and society. Ethics play a crucial role in guaranteeing your business success. It provides guidance to a businessman while dealing with customers, building relationship with clients, maintaining integrity in the society, protecting business, goodwill which will have a noticeable effect on the success of your business.

Hence, adopting an ethical approach in doing business is essential not only in ensuring long term success and growth of the organization, but also for the well-being of the society as well as the nation as whole. It has been seen that lack of planning and fault often leads to unethical behaviour. To prevent this mishap it is being advised to set realistic goals for employees. If employees are being asked to meet unexpected goals, they might engage themselves in unethical behaviour

to reach those goals. Properly train them and monitor their performance from time to time so that they do not fall in their performance and take credit for completing tasks that were left uncompleted.

REFERENCES

JOURNAL AND OTHER ARTICLES

1. Duraisamy, S.I.V.A.R.A.A.M & Nedunchezian, D.R.V.R. (2015). A Study on the Impact of Ethical Behaviour of Firms on Global Competitiveness Ranking. *International Journal of Engineering and Management Research*, 5(6), 1-8.
2. Garde, A.S.H.O.K. R. (2011). Business Ethics in India. *IMJ*, 3(1), 78-84.
3. Gehlot, N.I.S.H.A.N.T. Sharma, Y.A.M.I.N.I. & Kalla, N.E.E.L.A.M. (2013). CSR Ethical Practices for Indian Business: The Strategy to Achieve Global Leadership. *Global Journal of Management and Business Studies*, 3(2248-9878), 1173-1180.
4. Hunt, S.D. & Vitell, S.J. (1986). A General Theory of Marketing Ethics. *Journal of Macro Marketing*, 6(1), 5-16.
5. Kain, D.R..P.O.O.N.A.M. & Sonika, D.R. (2014). Business Ethics as Competitive Advantage for Companies in the Globalized Era. *Apeejay-Journal of Management Sciences and Technology*, 3(2347-5005), 1-8.
6. Verma, A.N.I.T.A.. (2013). Role of Ethics in Business Scenario. *INDIAN JOURNAL OF RESEARCH*, 7(0973-9777), 1-5.

BOOKS

7. Ghosh, B.I.S.W.A.N.A.T.H... (2006). *Ethics in Management and Indian Ethos*. (2nd ed.). New Delhi: Vikas Publishing House Pvt Ltd.
8. Kaushal, S.H.Y.A.M..L... (2006). *Business Ethics – Concepts, Crises and Solutions*. New Delhi: Deep & Deep Publications Pvt Ltd.
9. Prasad, L.M. (2007). *Principles and Practice of Management*. (7th ed.). New Delhi: Sultan Chand & Sons.
10. Velasquez, M.A.N.U.E.L..G.... (2007). *Business ethics – concepts and cases*. (6th ed.). New Delhi: Prentice hall of India Pvt Ltd.

ONLINE RESOURCES

11. Anand, A.J.A.Y.. (2012, Jan 03). Business vs Ethics: The India Tradeoff? [Weblog]. Retrieved 3, March 2016, from <http://www.wharton.upenn.edu/>
12. CSRNYC. (2007). Starbucks store, oxford, uk. [Print Photo]. Retrieved from <http://www.csrnyc.com/home/currentnews.html>
13. Krishna, R.A.J.N.E.E.S.H & Tandan, A.T.U.L. (2002). Business Ethics: The Indian Reality. *Indian institute of management Bangalore*, 14(02406j),. Retrieved 3 march, 2016, from <http://www.iimb.ernet.in>
14. MSN. "The Bad Boys of Business." <http://articles.moneycentral.msn.com/Investing/Extra/the-bad-boys-of-business.aspx?slide-number=1>. Retrieved April 22, 2011.
15. Mulla, Z.U.B.I.N.. (2003). Corporates in India Cannot Offered to be Ethical. *Management & Labour Studies*, 28(1), 49-53. Retrieved 14 June, 2016, from http://www.zubinmulla.com/Corp_in_India.pdf
16. Smith, J. (2012, 3 12). The world's most ethical companies. Retrieved from http://www.forbes.com/fdc/welcome_mjx.shtml
17. Starbucks Corporation. (2012). Retrieved from <http://www.starbucks.com/>

WEBSITES

18. <http://www.thebschool.org/blog/real-world-examples-of-bad-business-ethics>
19. <http://forbesindia.com/article/third-anniversary-special/azim-premji-capacity-building-helps-ethical-behaviour/32932/1#ixzz3qRO4rGmw>
20. <http://smallbusiness.chron.com/advantages-disadvantages-business-ethics-10414.html> by Lynne MacDonald, Demand Media
21. <http://smallbusiness.chron.com/advantages-disadvantages-ethical-compliance-organization-20548.html> by George N. Root III, Demand Media
22. <http://smallbusiness.chron.com/effects-lack-ethics-business-environment-23332.html>
23. <http://www.cliktosale.com>
24. <http://www.delacruzgab.wordpress.com>
25. <http://www.mayday327.blogspot.com>
26. <http://www.prezi.com>
27. <http://www.scribd.com>
28. <http://www.udanpari.com>
29. <http://www.ask.com/business-finance/advantages-disadvantages-business-ethics-647af603b7d16079>
30. <http://www.brighthub.com/office/entrepreneurs/articles/115557.aspx>
31. <http://www.chakreview.com/Politics/10-biggest-corruption-scams-in-Indian-history>
32. <http://www.managementstudyguide.com/sources-of-business-ethics.htm>
33. <http://www.mashable.com>
34. <http://www.newagepublishers.com>
35. <http://www.studymode.com>
36. <http://www.ukessays.com>
37. <https://bizgovsoc4.wordpress.com/2012/11/11/starbucks-how-ethical-behavior-can-boost-business/>
38. https://en.wikipedia.org/wiki/Business_ethics
39. <https://en.wikipedia.org/wiki/Culture>

GROWTH OF ONLINE TRADING & COMPARATIVE STUDY BETWEEN DIFFERENT STOCK BROKERS IN INDIA WITH SPECIAL REFERENCE TO THE REGION OF JAGADHRI, HARYANA

JAYA SHARMA
ASST. PROFESSOR
S. D. INSTITUTE OF MANAGEMENT & TECHNOLOGY
JAGADHRI

ABSTRACT

In today's dynamic environment billions of people are connected to the Internet. During the last twenty years, the technology revolution has had an intense and irreversible impact on the world and Indian stock market has also witnessed these changes. The internet has made financial products and services available to more customers and eliminated geographical barriers. Earlier investors were solely dependent on their brokers but nowadays they are participating more in buying and selling of shares with the help of internet. E-trading has saved time, energy and money as it helps to access the market from anywhere at any time. The primary objective of this research paper is to Gain Knowledge regarding the emergence and growth of the online Trading in India, people perspective about the same & to make the comparative study of some stock brokers also

KEYWORDS

Indian stock market, internet, online stock trading, stock brokers.

INTRODUCTION

The Internet revolution has been changing the fundamentals of our society. It shapes the way we communicate and the way we do business. It brings us closer and closer to vital sources of information. It provides us with means to directly interact with service-oriented computer systems tailored to our specific needs; therefore, we can serve ourselves better by making our own decisions. This prevailing shift of the business paradigm is reshaping the financial industry and transforming the way people invest.

Today, at this millennial transition, investors can use revolutionary Internet Client-Server technology to trade stocks nearly anywhere, anytime, independent of brokers' fees and service limitations.

In only a couple of mouse clicks, a person can make thousand-dollar transactions in a matter of seconds. Modern technology in hand, one has the total control over the money one is investing. Anyone who has a computer, enough money to open an account and reasonable financial history has the ability to invest in the market.

The online trading companies allow the users to invest in a number of financial products and services like equities, mutual funds, life insurance, loans, share trading, commodities trading, institutional trading, general insurance and financial planning.

Online trading was started in India in the year 1995, where a new system is formed which allows the investor to trade through an internet site where banks and demat accounts are electronically integrated. Such services are provided by many financial institutions like ICICI, Religare, HDFC, India Bulls, SMC online, Sharekhan & so on.

There are a number of brokerage firm's come out there, such as Ameritrade, Sure Trade, Datek, Charles Schwab, E-Trade, just to name a few. As a result of a price war between these companies, the commissions that these companies charge per trade have dropped significantly.

In order to attract more users, many online brokers continually upgrade their systems to allow more log-ons simultaneously; they may also offer new value-added services such as company news releases, earning reports, and market commentary. The attractions of online trading are price and convenience. Indian markets have witnessed the benefits of screen based trading but it is not clear if online trading has any impact on the markets. It is well documented that traditional trading practice dominates Indian market and the digital divide is strictly skewed against online trading.

ONLINE TRADING INFRASTRUCTURE

The emergence of online exchanges has facilitated faster transactions by providing online trading portals and brokerage houses ease and flexibility. The Internet has indeed opened up new opportunities for conducting the business. The worldwide stock exchanges have made a major shift from the traditional method of trading and now conduct a bulk of its business online through its brokers and partners.

In the developed countries majorly all the exchange transactions are conducted online. The trend took off slowly in India and the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) two of the largest exchanges in India have been conducting online trade successfully for some time. Online trading in India is the internet based investment activity that involves no direct involvement of the broker. There are many leading online trading portals in India along with the online trading platforms of the biggest stock houses like the National stock exchange and the Bombay stock exchange. The general meaning of Online Trading is trading of the stocks with the aid of internet. Online Trading has successfully brought the stock exchange facilities within the easy reach of the people requiring them. There are a number of trading sites today that facilitate Online Trading. With the introduction of Online Trading, the investors, mainly the new ones, who were not actively involved in the market, are now rushing towards it. A growing number of active investors are bypassing conventional brokerage offices entirely and doing all their trading online.

DIFFERENCES BETWEEN TRADITIONAL TRADING AND ONLINE TRADING

TABLE 1

Offline	Online
o In offline the investor has no control on his Demat and trading a/c.	o In online trading mechanism the customer has full control on his Demat and trading a/c.
o The investor needs to deposit and withdraw fund each time of trading.	o Investor in online trading can easily transfer its funds
o No live terminal is provided.	o Broking houses providing online trading also provides live terminals to their clients
o Offline investors are deprived of advices.	o The broker provides investor at online trading with advisory facility.
o Offline trader needs to open separate account.	o Online investor can directly invest into IPO's and Mutual funds also
o Investor cannot place After Market Order	o Investor can place order even after the market closes
o Trader cannot trade away for the place where he/she has opened its account	o The client can globally access the account and can trade anywhere in the world where Internet facility is available.
o DI slips are required for trading	o No documents are required for trading
o It is time consuming process	o Online trading is time effective

REVIEW OF LITERATURE

- **Smith, T. (1996).** *"The Role of the Internet in Finance and Investing."*
- **Goldberg, S. T. (1999).** *Kiplinger's Personal Finance "Online Brokers Grow Up" Vol. 53, No. 11, page No.90-96* The online brokerage industry is growing up. Online brokers have generally stopped lowering their prices in the past year or so, but they have added services. Every brokerage customer gets a regular account statement in the mail, but some statements are better than others. Many investors are unaware of the hidden costs of executing a stock trade, or of the ways brokers & other executors of trades can jack up the cost of trading.
- **Butler T. (2010)** *"The Complete Guide to Your Personal Finances Online: Step-By-Step Instructions to Take Control of Your Financial Future Using the Internet."* Most financial experts agree that one of the most important step you can take before getting involved with investing-online or otherwise, is to make sure that the rest of your finance are in order. The amount of money you invest, as well as the investment you make, should be dictated by your Financial Goals.
- **Walia N. and Kumar R. (2007)** *"Online stock trading in India: An empirical investigation"* Research report examined the investors' preference for traditional trading and online trading, investor's perception on Online trading & comparing current usage of online trading and offline trading. This study reveals that out of every 100 investors only 28 trade online, which points out a question as why investors were not able to realize the importance of technology in stock trading.

The major findings of the study are the Indian investors are more conservative, they do not change brokers for trading, whereas net traders are more comfortable with online trading for its transparency and complete control of the terminal.

- **Turner T.(2007).** *"A Beginner's Guide To Day Trading Online"* The stock market is the monster of all Roller Coasters, lifting traders to hair raising highs, then dropping them to the lowest lows, with no regards for their screams. Online brokers and direct access brokers have streamlined their platforms to maximum levels of speed & efficiency.
- **Nejati. M & Nejati M. (2010)** *"Global Business and Management Research: An International Journal"* Share brokers offer two types of share trading. **Offline Share trading**-In the form of trading the customer either goes to the share brokers place & sits before the share trading terminal & asks the dealer to place order in his account or rings the share broker, asks the share quotes & other related and relevant information, & accordingly places orders over the phone. **Online Share Trading**-The client could avail the share market & could place his order on his own from any place he wants, provided he has a computer with an internet Connection.
- **Madhavan V. "Payments in India: The journey so far and the road ahead"**, looks at how the multiple payment systems have developed in India and considers the need for technology and a legal framework to ensure that an electronically linked payments and clearing system, including cheque truncation, can be implemented in future.
- **Jaiswal M., Vashist D. and Kumar A. "Online trading: Trading @ the speed of light,"**, traces the growth of online trading from the year 2000 using statistics on volume of online trading from the year 2000 using statistics on volume of online trading, number of e-broking firms, brokerages and demographic patterns. Online trading has dramatically changed the way stock business has been conducted over the years.
- **Claburg J.F. "Four Steps to Trading Success: Using Everyday Indicators to Achieve Extraordinary Profits"** Success in any area of endeavour, whether it be a craft, the arts, or business, is not based on having the right equipment, or raw materials, but rather on knowing how to use them to create a great outcome. Likewise, success in the stock market is not dependent on having access to good indicators; rather, on knowing how to read them against prevailing market conditions. Technical analysis, the reading of price and volume charts to identify trading opportunities, has long been a staple in the trader's toolkit. And with the advent of online trading, technical analysis has become more readily available to traders than ever before.
- **Patel J. (2007) "Profit From Prices"** in chapter **Plan Your Trading and Trade as per your Planning** In a conventional business, we sell things at prices higher than what we have paid for them. The same objective is there in trading- buy low and sell high. Trading and business both require capital and are carried out with one objective- to earn profit. Success in both greatly depends on our ability to buy and sell smartly- buy as cheap as possible and sell as expensive as possible. However, it is not difficult to see many businesses lose money or fail over time. Similarly, some traders lose money in trading and are forced to quit trading.
- **Panda S. R. "Essential of Trading"** Money makes money but traders and investors always hunt for a magical person who will give them magical calls. Many times you would have taken many independent, wise trade decisions. Which must have rewarded you but you must have forgotten it. You have to analyse those decisions by yourself. It is my final advice that better you stop hunting for magical people and educate your self and take your own trade decision. 'Intraday Trade'. "Trader take one position or express his view on a specific capital instrument (stock, commodity... etc) and take it granted that future price movement of this instrument will be according to his choice and it will occur in the same day."
- **Wykoff R. "The Day Traders Bible"** The chances were equal at the start of the pursuit as far as capital and opportunity. The profits were there, waiting to be won by either or both. The answer seems to be in the peculiar qualifications of the mind, highly potent in the successful trader, but not possessed by the other. There is, of course, an element of luck in every case, but pure luck could not be so sustained in Manning's case as to carry him through day trading operations covering a term of years. While certain stocks constitute the backbone or leadership position, this important member is only one part of the market body that, after all, is very like the physical structure of a human being. Were there no expenses, making a profit would be far easier - profits would merely have to exceed losses.

OBJECTIVES OF THE STUDY

1. To analyse the facilities available from different stock traders.
2. To analyse the various Advantages & Disadvantages of the stock brokers.
3. To Gain Knowledge regarding the emergence and growth of the online Trading in India.
4. To know the people perception regarding the online trading.
5. To know the habits of People regarding the investment in stock Market.
6. To know the preference of people in regard of the Online Trading.

RESEARCH METHODOLOGY

The **objective of study** being the main determinant of the validity and reliability of the method adopted the degree of usefulness of the scientific method. Research methodology can be said to have four major components namely, Research design, Sample design, Data collection procedure and methods of analyzing and reporting the findings.

SAMPLE DESIGN: Both the sample design is used in the study i.e. Probability as well as Non-Probability. Sampling units filling the sample is selected in a random way, irrespective of them being investor or not or availing the services or not. It was collected through mails and personal visits to the known persons, by formal and informal talks and through up the questionnaire prepared.

SCOPE OF THE STUDY: The research was carried out in Jagadhri city and the nearby places.

SIZE OF SAMPLE: "This refers to the number of items to be selected from the universe to constitute a sample." The sample size in this research is 60.

WHY ONLINE TRADING ENTERED LATE IN INDIA?

The Indian exchanges and brokering houses have been very slow in moving their transactions online and the major reason has been the lot government regulations. The initial delay was due to laying down the specifications for creating Closed User Groups (CUGs). This issue was resolved between the Department of Telecom-

munications (DoT) and the Finance Ministry around 1998 and after that soon came the online trading portals like IL&FS investsmart, ICICIDirect.com, motilal-swal.com, sharekhan.com etc. Connectivity related issue was perhaps the most important technological factor. RBI made regulation that it is mandatory for company to store at least 7 year financial and transactional data.

In the non-stop, 24 hours a day, seven days a week world of investing, we are able to

- ❖ Obtain investment news around the clock
- ❖ Check quotes on exchanges all over the world – day or night
- ❖ Easily compare one investment to another via numerous ratios, charts, graphs, and tables
- ❖ Screen for the best investments to fit our individual goals and requirements
- ❖ Trade stocks as easily and quickly as professional traders
- ❖ Calculate retirement needs based on various scenarios
- ❖ Regularly monitor portfolios and make necessary changes quickly and almost effortlessly
- ❖ Control the routing of individual trades for the best possible price and execution

Even many years after the launch of the first online brokerage firm, there remain a large contingent of individual investors who still pick up the phone and call their stock broker to buy and sell investments. However, every year a growing number of investors are placing their trades using online brokers.

DO'S AND DON'T'S OF ONLINE TRADING

WHAT YOU MUST NOT DO

1. DON'T PANIC

The market is volatile. Accept that. It will keep fluctuating. Don't panic. If the prices of your shares have plummeted, there is no reason to want to get rid of them in a hurry. Stay invested if nothing fundamental about your company has changed. Same with your mutual fund. Does the Net Asset Value deep dipping and then rising slightly? Hold on. Don't sell unnecessarily.

2. DON'T MAKE HUGE INVESTMENTS

When the market dips, go ahead and buy some stocks. But don't invest huge amounts. Pick up the shares in stages. Keep some money aside and zero in on a few companies you believe in. When the market dips --buy them. When the market dips again, you can pick up some more. Keep buying the shares periodically. Everyone knows that they should buy when the market has reached its lowest and sell the shares when the market peaks. But the fact remains, no one can time the market. It is impossible for an individual to state when the share price has reached rock bottom. Instead, buy shares over a period of time; this way, you will average your costs. Pick a few stocks and invest in them gradually. Same with a mutual fund. Invest small amounts gradually via a Systematic Investment Plan. Here, you invest a fixed amount every month into your fund and you get units allocated to you.

3. DON'T CHASE PERFORMANCE

A stock does not become a good buy simply because its price has been rising phenomenally. Once investors start selling, the price will drop drastically. Same with a mutual fund. Every fund will show a great return in the current bull run. That does not make it a good fund. Track the performance of the fund over a bull and bear market; only then make your choice.

4. DON'T IGNORE EXPENSES

When you buy and sell shares, you will have to pay a brokerage fee and a Securities Transaction Tax. This could nip into your profits specially if you are selling for small gains (where the price of stock has risen by a few rupees). With mutual funds, if you have already paid an entry load, then you most probably won't have to pay an exit load. Entry loads and exit loads are fees levied on the Net Asset Value (price of a unit of a fund). Entry load is levied when you buy units and an exit load when you sell them. If you sell your shares of equity funds within a year of buying, you end up paying a short-term capital gains tax of 10% on your profit. If you sell after a year, you pay no tax (long-term capital gains tax is nil).

WHAT YOU MUST DO

1. GET RID OF THE JUNK

Any shares you bought but no longer want to keep? If they are showing a profit, you could consider selling them. Even if they are not going to give you a substantial profit, it is time to dump them and utilise the money elsewhere if you no longer believe in them. Similarly, with a dud fund; sell the units and deploy the money in a more fruitful investment.

2. DIVERSIFY

Don't just buy stocks in one sector. Make sure you are invested in stocks of various sectors. Also, when you look at your total equity investments, don't just look at stocks. Look at equity funds as well. To balance your equity investments, put a portion of your investments in fixed income instruments like the Public Provident Fund, post office deposits, bonds and National Savings Certificates. If you have none of these or very little investment in these, consider a balanced fund or a debt fund.

3. BELIEVE IN YOUR INVESTMENT

Don't invest in shares based on a tip, no matter who gives it to you. Trade cautiously. Invest in stocks you truly believe in. Look at the fundamentals. Analyse the company and ask yourself if you want to be part of it. Are you happy with the way a particular fund manager manages his fund and the objective of the fund? If yes, consider investing in it.

4. STICK TO YOUR STRATEGY

If you decided you only want 60% of all your investments in equity, don't over-exceed that limit because the stock market has been delivering great returns. Stick to your allocation.

TABLE 2: SHOWING COMPARISON BETWEEN DIFFERENT STOCK BROKERS

Broker Name	Stock Broker Fees			Investment Option Available				
	Account Opening Charge	Brokerage Account AMC	Demat Account AMC	Equity	Debt	Mutual Funds	Commodity	Forex/ Currency
Geojit	Rs 800		Rs 400	✓	✓	✓		✓
Angel Trade	Rs 0	Rs 347	Rs 0	✓	✓	✓	✓	✓
IDBI Paisa builder			Rs 350	✓	✓	✓		
Share khan	Rs 750	Rs 400	Rs 400	✓	✓	✓	✓	✓
Net worth	Rs 250.	Rs 400.		✓	✓	✓	✓	✓
Standard Chartered	Rs 500			✓		✓		
SMC Online	Rs 499.	Nil		✓	✓	✓	✓	✓
5Paisa	Rs 500		Rs 250	✓	✓	✓	✓	✓
HSBC Invest Direct	Rs 950	Rs 0	Rs 300	✓	✓			

EXPLANATION

The Above table shows the comparison between the above mentioned online stock brokers. The Comparison is done on the basis of stock broker fees and the investment option available by them. The table shows the comparison between the online stock broker companies which are Geojit, Angel Broking, IDBI Paisa builder, Share Khan, Net worth Direct, Standard Chartered, SMC Online, 5 Paisa.com & HSBC Invest Direct.

The Above Study Covers the objectives which are-

- To facilitate a smooth study of a comparison between the different stock brokers in India.
- To analyse the facilities available from different stock traders.
- To analyse the various Advantages & Disadvantages of the stock brokers.
- To Gain Knowledge regarding the emergence and growth of the online Trading in India.

And the following questionnaire will cover the objectives which are-

- To know the people's perception regarding the online trading.
- To Know the habits of People regarding the investment in stock Market.
- To Gain Knowledge regarding the emergence and growth of the online Trading in India.

Q1. Have you ever heard about stock market?**TABLE 3**

Response	No. Of Respondents	%age of respondent
Yes	52	87%
No	8	13%

Interpretation

The above data shows that most of the people are aware of stock market.

Q2. What are the sources of information?**TABLE 4**

Source	No. Of Respondents	%age of respondents
Television	24	40%
Self Trading	18	30%
Newspaper	12	20%
Other	6	10%

Interpretation

The Data shows that most of the people come to know about stock market through Television & Newspapers.

Q3. Did You know about the Online Trading?**TABLE 5**

Response	No. Of Respondents	%age of Respondents
Yes	40	67%
No	20	33%

Interpretation

The pie chart shows that the most of the people are having knowledge about online trading. With the increase in cyber education, the awareness towards online share trading has increased by leaps and bounds. This awareness is expected to increase further with the increase in Internet education.

Q4. Do you have any demat and trading account?**TABLE 6**

Response	No. Of Respondents	%age of Respondents
Yes	36	60%
No	24	40%

Interpretation

The above data shows that a good strength of people are having the demat or any trading account.

Q5. Where do you invest your money usually?**TABLE 7**

Options	No. Of Respondents	%age of respondents
Bank Deposits	28	46%
Bonds	16	27%
Shares	10	17%
Others	6	10%

Interpretation

The data concludes that most of the people likes to invest the money in saving schemes.

Q6. Have you ever invested in Stocks?**TABLE 8**

Response	No. Of Respondents	%age of respondents
Yes	25	42%
No	35	58%

Interpretation

Data shows that only 42% of people likes to invest their money in stocks.

Q7. Which method of trading would you prefer?**TABLE 9**

Options	No. of Respondents	%age of respondents
Online Trading	28	47%
Traditional Method of Trading	32	53%

Interpretation

The data shows that the Online Trading is growing but still many people prefer the Traditional method of trading.

Q8. In which segment of stock market you prefer to invest your Money?

TABLE 10

Segments	No. Of Respondents	%age of respondents
Cash market	19	31%
Commodity market	10	17%
Future market	15	25%
None	16	27%

Interpretation

The data concludes the result that the people are more interested in investing their money in Cash market as well as Future market.

Q9. What are your views regarding the investment in stock market?

TABLE 11

Options	No. Of Respondents	%age of respondents
Gambling	19	32%
Investment	10	17%
Risky but profitable	11	18%
Speculation	20	33%

Interpretation

As per the above data, most of the people are of view that the investment in the share market is completely a speculation and Gambling.

Q10. Share Trading is yours.....?

TABLE 12

Options	No. Of Respondents	%age of respondents
Part time job	19	32%
Easy way to earn money	8	13%
Hobby	20	33%
Profession	13	22%

Interpretation

The data shows that share trading is not adopted as a profession by large No. Of people and they take it as a hobby and part time job.

Q.11 How you differentiate one company from others?

TABLE 13

Options	No. Of Respondents	%age of respondents
Low brokerage	13	22%
Funding facility	12	20%
Account opening charges	16	27%
Trading platform	9	15%
Research report	7	11%
Other	3	5%

Interpretation

As per the data, people has their different perceptions in choosing the online brokers companies.

Q.12 Why do you prefer online trading?

TABLE 14

Options	No. Of Respondents	%age of respondents
Place convenience	16	27%
Time suitability	18	30%
User friendly	13	22%
All the Above	7	11%
Other	6	10%

Interpretation

The diagram shows that people prefer the online trading because of many reasons like Place convenience, user friendly feature, time suitability etc.

FINDINGS

- Most of the people are aware of stock market.
- Most of the people come to know about stock market through Television & Newspapers.
- The most of the people are having knowledge about online trading.
- People likes to invest the money in saving schemes.
- Only 42% of people likes to invest their money in stocks.
- The Online Trading is growing but still many people prefer the Traditional method of trading.
- The people are more interested in investing their money in Cash market as well as Future market.
- Most of the people are of view that the investment in the share market is completely a speculation and Gambling.
- Share trading is not adopted as a profession by large No. of people and they take it as a hobby and part time job.
- With the increase in cyber education, the awareness towards online share trading has increased by leaps and bounds. This awareness is expected to increase further with the increase in Internet education.

REFERENCES

BOOKS

1. Al-Barkaat Journal of Finance & Management Year: 2010, Volume: 2, Issue: 2
2. "Benefits, Costs and Limitations of Online Investing to the Individual Investor" by Isaac G. Mathews*
3. E. Bennet, Dr. M. Selvam, Eva Ebenezer, V. Karpagam, S. Vanitha. Vol. 1, Issue 2, (June 2011) "Investors' Attitude on Stock Selection Decision"
4. Goldberg, S. T. (1999). Kiplinger's Personal Finance "Online Brokers Grow Up" Vol. 53, No. 11, page No.90-96
5. Gupta S. L., "Financial derivatives, Theory, concepts and problem", prentice hall of India, New Delhi-2005
6. Hull John C., "Options, futures and derivatives", Pearson prentice hall-2006
7. Jaiswal M., Vashist D. and Kumar A. "Online trading: Trading @ the speed of light."
8. Kiplinger's Personal Finance Nov 1999, 144 pages Vol. 53, No. 11 Published by Kiplinger Washington Editors, Inc.
9. Nejati. M & Nejati M. (2010) "Global Business and Management Research: An International Journal" Vol.2, No. 2 & 3, Pg. 250-260

10. Panda S. R. "Essential of Trading"
11. Patel J. (2007) "Profit from Prices"
12. Redheel Keith, "Financial derivatives", prentice hall of India, new delhi-2003
13. Richard Wykoff "The Day Traders Bible"
14. Tamsen Butler (2010) "The Complete Guide to Your Personal Finances Online: Step-By-Step Instructions to Take Control of Your Financial Future Using the Internet."
15. Turner T. (2007). "A Beginner's Guide to Day Trading Online" Adams Media
16. Walia N. and Kumar R. (2007) "Online stock trading in India: An empirical investigation"

WEBSITES

17. <http://beta.bseindia.com/static/about/introduction.aspx?expandable=0->
18. <http://beta.bseindia.com/static/about/logo.aspx?expandable=0->
19. <http://beta.bseindia.com/static/about/milestones.aspx?expandable=0->
20. <http://beta.bseindia.com/static/about/vision.aspx?expandable=0->
21. [http://blogs.indianyellowpages.com/2011/07/04/advantages-and-disadvantages-of-online-trading/-](http://blogs.indianyellowpages.com/2011/07/04/advantages-and-disadvantages-of-online-trading/)
22. http://books.google.co.in/books?id=_0ltAAACAAJ&dq=online+share+trading&source=bl&ots=tVgxiKH0_a&sig=gzTeta6vilgQ8dYete9-L3F_edo&hl=en&sa=X&ei=JjNWUP2xOYTLrQfsj4C4DA&ved=0CGYQ6AEwC
23. http://books.google.co.in/books?id=Dh9TL9UicXAC&printsec=frontcover&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false-
24. http://books.google.co.in/books?id=WylO3RB0iVMC&printsec=frontcover&dq=online+trading&source=bl&ots=K3eztboJ9_&sig=CMQmnqSn_Dmwh4AUrZsK8LnMg4k&hl=en&sa=X&ei=xixWUNfVGoTirAfiyoCQCw&ved=0CDwQ6AEwAQ#v=onepage&q=online%20trading&f=false-
25. http://books.google.co.in/books?id=WylO3RB0iVMC&source=gbs_navlinks_s
26. http://gsearch.kiplinger.com/search?q=Online+share+trading&btnG=Search&entqr=0&ud=1&sort=date%3AD%3AL%3Ad1&output=xml_no_dtd&oe=UTF-8&ie=UTF-8&client=default_frontend&proxystylesheet=redesign_with_ads&site=default_collection-
27. <http://networthdirect.com/AboutUs/AboutUs.aspx->
28. <http://networthdirect.com/MarketIndex.aspx->
29. <http://smcindiaonline.com/about-us.aspx->
30. <http://smcindiaonline.com/equities-derivatives.aspx->
31. <http://smcindiaonline.com/partner-faq.aspx->
32. <http://standardcharteredsecurities.co.in/AboutUs/Overview/tabid/86/Default.aspx->
33. <http://standardcharteredsecurities.co.in/Retail/ChannelsofServicingRetailClients/OnlineTradingPortal/tabid/78/Default.aspx->
34. <http://standardcharteredsecurities.co.in/Retail/OnlineBroking/tabid/77/Default.aspx->
35. http://www.angelbroking.com/About_Us/company.aspx-
36. http://www.angelbroking.com/Online_trading/Angel-Trade.aspx-
37. <http://www.articlesbase.com/finance-articles/the-scope-of-online-trading-in-india-1095803.html->
38. http://www.beststocktradingbook.com/2_1_stock_trading_strategy.htm-
39. http://www.clayburg.com/four_steps_to_trading_success.htm-
40. <http://www.geojitbnparribas.com/Market/MarketInner.aspx->
41. http://www.globsyn.edu.in/aboutus/pkpublication/Article_for_Govt_Indian_stock_exchnages_down_the_streams_of_time.pdf
42. <http://www.hsbcinvestdirect.co.in/equity/ourOfferingTrading.jsp#onlineTrading->
43. http://www.hsbcinvestdirect.co.in/homeRevamp/company_profile.jsp-
44. <http://www.kiplinger.com/basics/archives/2003/03/stock4b.html?si=1->
45. <http://www.kiplinger.com/basics/archives/2003/03/stock4b.html?si=1#RF0YwZ34ZFA3Rx3L.99->
46. <http://www.nirmalbang.com/india-market/online-share-market-trading-india.aspx>
47. http://www.nse-india.com/global/content/about_us/about_us.htm -
48. http://www.nse-india.com/global/content/about_us/history_milestones.htm-
49. http://www.nse-india.com/global/content/about_us/mission_vision.htm-
50. <http://www.smartfinancein.com/essential-of-trading.pdf->
51. <http://www.standardcharteredtrade.co.in/online demo/index.html->
52. http://www.streetdirectory.com/travel_guide/144532/trading/online_trading___the_need_for_21st_century_world.html-
53. <http://www.thedaytradersbible.com/->
54. http://www.theequitymarkets.com/broker_comparison.htm-
55. <http://www.toparticles.org/A-Basic-Overview-Of-Online-Share-Trading.htm->
56. https://www.idbipaisabuilder.in/common_controls/AboutUs.aspx-
57. https://www.idbipaisabuilder.in/Custom_Relations/FAQ.aspx-
58. www.cs.georgetown.edu/~denning/cosc450/papers/smith.html -

AN ENQUIRY INTO THE EFFECT OF INDICATORS ON HDI

ARUP KUMAR SARKAR
ASST. PROFESSOR IN COMMERCE
SIDHO-KANHO-BIRSHA UNIVERSITY
P.O – SAINIK SCHOOL, DISTRICT PURULIA

ABSTRACT

In this paper an attempt is made to find out which of the indicators of Human Development affects the Human Development Index to the maximum extent and to what extent the life expectancy in the nation depends on the percentage of its urban population on the basis of the data published in Human Development Report 2015 for United Nations Development Programme (UNDP). The result of the analysis by Spearman's Correlation Coefficient shows that GDP per capita affects the HDI to the maximum extent followed by Life expectancy, Population (Urban), Public expenditure on education and Employment to Population ratio and Life expectancy in the nation significantly depends on the percentage of its urban population.

KEYWORDS

HD, HDI, Life expectancy.

1. INTRODUCTION

Human development is “a process of expanding the real freedoms that people enjoy” (Sen 1999: 3). Therefore, widening of people's choices should be the goal of the public policies aiming at human development promotion. In order to assess the level of human development, to compare it with other countries' achievements, or to evaluate different policy proposals, decision-makers have to rely on an accurate indicator of human development. Since Gross National Product (GNP) and Gross Domestic Product (GDP) could not serve this function, the Human Development Index (HDI) has been introduced as a more adequate measure. The United Nations Development Programme (UNDP) has been preparing Human Development Report (HDR) from the year 1990. According to HDR 2015, Human development is a process of enlarging people's choices — as they acquire more capabilities and enjoy more opportunities to use those capabilities. But human development is also the objective, so it is both a process and an outcome. Human development implies that people must influence the process that shapes their lives. In all this, economic growth is an important means to human development, but not the goal. Human development is development of the people through building human capabilities, for the people by improving their lives and by the people through active participation in the processes that shape their lives. It is broader than other approaches, such as the human resource approach; the basic needs approach and the human welfare approach. The Human Development Index (HDI) is a composite index focusing on three basic dimensions of human development: to lead a long and healthy life, measured by life expectancy at birth; the ability to acquire knowledge, measured by mean years of schooling and expected years of schooling; and the ability to achieve a decent standard of living, measured by gross national income per capita. *In this backdrop*, our main focus is to find out which of the indicators affects the HDI to the maximum extent and to what extent the life expectancy in the nation depends on the percentage of its urban population.

2. REVIEW OF LITERATURE

Anand and Sen (2000)² make an attempt to integrate the concern for human development in the present with that in the future. In arguing for sustainable human development, it appeals to the notion of ethical “universalism” - an elementary demand for impartiality of claims - applied within and between generations. Economic sustainability is often seen as a matter of intergenerational equity, but the specification of what is to be sustained is not always straight forward. The addendum explores the relationship between distributional equity, sustainable development, optimal growth, and pure time preference. Neumayer (2001)³ proposes to qualify a country's human development as potentially unsustainable if the net depreciation of its manufactured and natural capital stock is bigger than its investment. Linking the Human Development Index with sustainability in this way would allow the United Nations Development Programme (UNDP) to check whether a country is ‘mortgaging the choices of future generations’. An analysis for 155 countries leads to the conclusion that the indicated human development of 42 countries is potentially unsustainable. Most of these countries have a low HDI, which means that even this low achievement is not sustainable into the future. The results make a case for both a policy reform within these countries and for external assistance to help maintain at least this low level of human development. Alkire (2002)⁴ develops an account of dimensions of human development, and shows its usefulness and its limitations—both in general and in relation to Amartya Sen's capability approach. The second half of their paper surveys other major “lists” of dimensions that have been published in poverty studies, cross cultural psychology, moral philosophy, quality of life indicators, participatory development, and basic needs, and compares and contrasts them with the account sketched here. Akçay (2006)⁵ explores the relationship between corruption and human development in a sample of 63 countries. In order to test the impact of corruption on human development, three different corruption indexes are used. Test results reveal that there is a statistically significant negative relationship between corruption indexes and human development. Empirical evidence of the study suggests that more corrupt countries tend to have lower levels of human development. In brief, this study extends the list of negative consequences of corruption and argues that corruption in all its aspects retards human development. Bhardwaj, Ansari, Rajput (2012)⁶ make a conceptual study on human development. According to them, the political leadership of modern states has a primary objective of improving the quality of life of their people. This they attempt to realize through putting in place economic and social programs that will address the needs of their people. For developing economies, the objective is usually to improve living standards and have as many of their people as possible above and beyond the poverty line. For already developed economies, the political leadership endeavors to sustain the level of development already attained while striving to improve in those areas in which the Human Development Index (HDI) indicates a need for improvement. The issue of human development, therefore, is of critical concern since it can be perceived as a measure of how well the ship of state is steered in identifying and meeting the needs of its people. It is also an indication of the level of participation of the people in governance in terms of articulating their needs and in developing policies and programs for improved living standards. Divya (2013)⁷ attempts to find out the impact of financial inclusion on daily wage earners located in autonagar, Tenali considering a sample size of 210 wage earners. After analysis of the data collected with the help of a questionnaire she says that financial inclusion is very useful for daily wage earners. Kumar and Venkatesha (2014)⁸ make an attempt to discuss the overview of financial inclusion using PMJDY in India. According to them financial inclusion through PMJDY is one of the greatest steps ever taken to eradicate poverty and this scheme indeed helped many to come into the main stream of economy and reduce financial untouchability. Dangi and Kumar (2013)⁹ focus on the RBI and GOI initiatives and policy measures, current status and future prospects of financial inclusion in India on the basis of facts and data provided by various secondary sources. They conclude that financial inclusion shows positive and valuable changes because of change in strength and technological changes. Therefore, adequate provisions should be inherent in the business model to ensure that the poor are not driven away from banking. This requires training the banks forefront staff and managers as well as business correspondents on the human side of banking. Garg (2014)¹⁰ gives a note to bring out issues and challenges for reducing financial exclusion. She concludes that banks should take a step forward to formulate specific plans to enhance Financial Inclusion of unbanked section of the society. At the same time, they should device the strategies to reduce their transaction cost to actively participate in the process of Financial Inclusion treating it as Business Opportunity and Corporate Social Responsibility. Sarania and Maity (2014)¹¹ examine the impact Self-Help Groups (SHGs) on financial inclusion of rural people in the district of Baksa, Assam. They select a total of 180 respondents [(90 participants) and (90 nonparticipants)] for the purpose of the study and the overall results reveal that the SHG-Bank linkage programme increased the degree of financial inclusion among SHG households as compared with non-participant's households. Sharma and Kukreja (2013)¹² highlight the basic features of financial inclusion, and its need for social and economic development of the society. They focus on the role of financial inclusion, in strengthening the India's position in relation to other countries economy.

For analysing such facts, they gather data for the study through secondary sources including report of RBI, NABARD, books on financial inclusion and other articles written by eminent authors. After analysing the facts and figures they conclude that undoubtedly financial inclusion is playing a catalytic role for the economic and social development of society but still there is a long road ahead to achieve the desired outcomes. Uma and Rupa (2013)¹³ highlight the role of SHGs in financial inclusion. After analysis the primary data collected through random sampling method they conclude that there is a positive relationship between SHGs membership and financial inclusion. According to them after the membership to SHGs there is enormous increase in the number of bank accounts by members to the extent of 82.7 percent from 17.3 percent before membership. With that, the credit availed by the members and annual repayment of the loan also shows positive trend. Thus SHGs help the deprived section of people to enter into formal financial sector and through that social and economic empowerment. Garg and Agarwal (2014)¹⁴ make an attempt to understand financial inclusion and its importance for overall development of society and Nation's economy. They focus on approaches adopted by various Indian banks towards achieving the ultimate goal of financial inclusion for inclusive growth in India and analyses of past years' progress and achievements. They collect the relevant data for this study from various secondary sources. According to them the regulator has to create a suitable regulatory environment that would keep the interest of all the stakeholders. Regulatory bodies, banks and Government should intensively work on creation of awareness by educating people about finance. They also conclude that thus, Innovative products, out of the box service models, effective regulatory norms and leveraging technology together could change the landscape of the current progress of the much needed and wanted, Financial Inclusion Program. Deepak and Prakash (2014)¹⁵ try to identify the various initiatives of the RBI in crafting & delivering financial products, oriented towards those groups who are financially excluded. On the other hand they also comprehend the policy schemes of the government considering factors such as poverty, illiteracy (financial illiteracy) and human development index. They make this attempt to outline the fact that financial inclusion is contemplation unless inclusive growth is achieved. They conclude that the RBI despite making significant improvements in all the areas relating to financial viability, profitability and competitiveness, there are concerns that much needed banking services have not reached a vast segment of the population, especially the underprivileged sections of the society. They also opine that development of a country like India is possible only when there is an inclusive growth where the poverty & the financially illiterate are brought to the main stream by the RBI & Government through its policies & schemes. Bagli and Dutta (2012)¹⁶ seek to examine the achievement of the Indian states regarding the financial inclusion. They compute a comprehensive measure of financial inclusion for each state applying the methodology of Rotated Principal Component Analysis. For this analysis they consider ten indicators of financial inclusion. They use the data published by the Reserve Bank of India (RBI) and the Government of India. According to them ranks of the states in accordance with the composite score show that although the state of Goa is the best, most of the states in southern region have performed better in terms of financial inclusion. However, the levels of financial inclusion of the states in India have a low mean and high disparity. This study reveals a strong positive association between the human development and the financial inclusion of the states in India. Sarkar (2016)¹⁷ makes an attempt is made to make a conceptual discussion on financial inclusion. Discussion is made on financial exclusion, financial inclusion, approaches adopted by banks, measures taken by other regulatory bodies and various government initiatives for promoting financial inclusion, the impact of financial inclusion on social development. At the end an attempt is also made to make some concluding remarks.

3. RESEARCH METHODOLOGY

This study is based on the secondary data collected from the published Human Development Report 2015 (HDR 2015) for United Nations Development Programme (UNDP). In this study we have taken into consideration some indicators of Human Development Index (HDI) such as Life Expectancy, GDP per capita, Population (Urban), Public expenditure on education and Employment to population and we have taken HDI rank of some countries like Norway, Germany, United States, United Kingdom, Japan, Russian Federation, Sri Lanka, Brazil, China, South Africa, India, Bangladesh and Pakistan. (Table1). Our objective of this study is to know which of the indicators affect the HDI to the maximum extent and the effect of urban population on Life expectancy. To meet the objective, we have used Spearman's Rank Correlation Coefficient measure.

TABLE 1: SHOWING THE STATUS OF HDI WITH SOME OF THE INDICATORS ON 2015

	HDI Rank	Life Expectancy	GDP per capita	Population (Urban)	Public Expenditure on Education (% of GDP)	Employment to Population (% 15 years and Older)
Norway	1	81.6	62448	80.2	6.6	62.6
Germany	6	80.9	43207	74.3	5	56.7
United States	8	79.1	51340	83.1	5.2	57.8
United Kingdom	14	80.7	37017	80	6	57.4
Japan	20	83.5	35614	93	3.8	56.8
Russian Fed.	50	70.1	23564	74.3	4.1	60.1
Sri Lanka	73	74.9	9426	15.3	1.7	52.6
Brazil	75	74.5	14555	85.4	5.8	65.6
China	90	75.8	11525	54.4	N/A	68
South Africa	116	57.4	12106	63.3	6.2	39.2
India	130	68	5238	32.4	3.8	52.2
Bangladesh	142	71.6	2853	29.9	2.2	67.8
Pakistan	147	66.2	4454	37.2	2.5	51.6

Source: HDR 2015

4. ANALYSIS

From the analysis we find that correlation coefficient between HDI rank and Life expectancy, between HDI rank and GDP per capita, between HDI rank and Population (Urban), between HDI rank and Public expenditure on education and between HDI rank and employment to population are 0.82, 0.95, 0.57, 0.54 and 0.19 respectively. From this we can say that GDP per capita effect HDI rank to the maximum extent followed by Life expectancy, urban population, and Public expenditure on education and Employment to population respectively. On the other hand, the analysis also shows that the correlation coefficient between Life expectancy and Population (Urban) is 0.58. So we can say that Population (urban) has significant effect on Life expectancy. (Table 2)

TABLE 2: SHOWING VALUE OF SPEARMAN'S RANK CORRELATION COEFFICIENT

HDI	Indicators considered	Correlation Coefficient
HDI Rank	Life expectancy	0.82
HDI Rank	GDP per capita	0.95
HDI Rank	Population (Urban)	0.57
HDI Rank	Public expenditure on education	0.54
HDI Rank	Employment to Population	0.19
Life expectancy	Population (Urban)	0.58

Source: As per analysis of the secondary data.

5. CONCLUSION

Human Development should be the ultimate objective as it is a source of empowerment that allows people to participate more effectively in the economic and social process. Though there is an increasing trend in the HDI from 1980 to 2014, India's HDI value for 2014 is 0.609, positioning the country at 130 out of 188 countries and territories which is the lowest among the BRICS countries, with Russia is at 50, Brazil is at 75, China is at 90, and South Africa is at 116, and India is

slightly ahead of Bangladesh and Pakistan. While China improved its ranking by thirteen places between 2009 and 2014, India's position improved by just six ranks. Thus a lot remains to be done. (Table3 and Table4). As result shows that GDP per capita effect HDI rank to the maximum extent followed by Life expectancy, urban population, and Public expenditure on education and Employment to population respectively and Population (urban) has significant effect on Life expectancy (Table 2). We have to have to take into consideration these indicators seriously to increase as increase of these factors will help increase in Human Development Index

TABLE 3: HUMAN DEVELOPMENT INDEX TRENDS

Year	HDI value
1980	0.369
1990	0.431
2000	0.483
2005	0.527
2008	0.554
2010	0.570
2011	0.581
2012	0.583
2013	0.586
2014	0.609

Source: HDR for UNDP

TABLE 4: CHANGES IN HDI RANK

Country	HDI 2014		Change in Rank	
	Value	Rank	Over 2013-2014	Between 2009 and 2014
Norway	0.944	1	0	0
Germany	0.916	6	0	3
United States	0.915	8	-3	-3
United Kingdom	0.907	14	0	-2
Japan	0.891	20	-3	-3
Russian Fed.	0.798	50	7	8
Sri Lanka	0.757	73	0	5
Brazil	0.755	75	4	3
China	0.727	90	1	13
South Africa	0.666	116	2	4
India	0.609	130	5	6
Bangladesh	0.570	142	0	0
Pakistan	0.538	147	-1	0

Source: HDR for UNDP

REFERENCES

1. Akçay, S. (2006). Corruption and Human Development. *Cato Journal*, 26(1), 29-48.
2. Alkire, S. (2002). Dimensions of Human development. *World Development*, 30(2), 181-205.
3. Anand, S. and Sen, A. (2000). Human Development and Economic Sustainability. *World Development*, 28(12), 2029-2049.
4. Bagli, S. and Dutta, P. (2012). A Study of Financial Inclusion in India. *Radix International Journal of Economics & Business Management*. 1(8). 1-18.
5. Bhardwaj, R., Ansari, S. and Rajput, Y. S. (2012). Human Development. *International Journal of Scientific Research Engineering & Technology*, 1(5), 303-308.
6. C Rangarajan, Report of the committee on Financial Inclusion, 2008, 1- 31.
7. Chakrabarthy, K. C. (2011), Deputy Governor, RBI, Financial Inclusion – RBI Initiatives.
8. Dangi, N. and Kumar, P. (2013). Current Situation of Financial Inclusion in India and Its Future Visions. *International Journal of Management and Social Sciences Research*. 2(8). 155-166.
9. Deepak, K. V. and Prakash, R. P. (2014). A Conceptual Study on the Role of Financial Inclusion on Economic & Social Development of India. *International Journal of Management Research & Review*. 4(12). 1151- 1157.
10. Divya, H. K. (2013). A Study on Impact of Financial Inclusion with reference to Daily Wage Earners. *Journal of Business Management & Social Sciences Research*. 2(6). 85-92.
11. Economic survey 2014-2015. Vol - I.
12. Economic Survey 2014-2015. Vol – II.
13. Financial Inclusion and Banks: Issues and Perspectives”, *RBI Monthly Bulletin*, November 2011.
14. Garg, B. (2014). Financial Inclusion and Rural Development. *Researchjournal's Journal of Commerce*. 2(1). 1-6.
15. Garg, S. and Agarwal, P. (2014). Financial Inclusion in India – a Review of Initiatives and Achievements. *IOSR Journal of Business and Management*. 16(6). 52-61.
16. Gupta, A. (2010). Financial Inclusion in India – Impact and Challenges. Anuradha Gupta's Blog.
17. Human Development Report 2011, 2014 and 2015, UNDP.
18. Kumar, D. and Venkatesha, H. R. (2014). Financial Inclusion Using Pradhan Mantri Jan-Dhan Yojana – A Conceptual Study. *Asia Pacific Journal of Research*. 1(xx). 37-42.
19. Millenium Development Goals, India Country reports 2014.
20. Millenium Development Goals, India Country reports 2015.
21. Neumayer, E. (2001). The human development index and sustainability — a constructive proposal. *Ecological Economics*, 39 (2001), 101-114.
22. Sarania, R. and Maity, S. (2014). Self Help Groups (SHGs) and Financial Inclusion- A Case Study in Baksa District of Assam. *International Journal of Humanities & Social Science Studies*. 1(3). 137-146.
23. Sarkar, A. K. (2016). Financial Inclusion in India. *International Journal in Management and Social Science*. 4(3). 29-35.
24. Sen, A (1999), Development as Freedom, *Oxford: Oxford University Press*.
25. Sharma, A. and Kukreja, S. (2013). An Analytical Study: Relevance of Financial Inclusion for Developing Nations. *Research Inventory: International Journal of Engineering and Science*. 2(6). 15-20.
26. Uma, H. R. and Rupa, K. N. (2013). The Role of SHGs in Financial Inclusion- a Case Study. *International Journal of Scientific and Research Publications*. 3(6). 1-5.
27. Vighneswara Swamy and Vijayalakshmi (2010). Role of Financial Inclusion for Inclusive Growth in India – issues and challenges.

FACTORS THAT OBSTRUCT TOURISM DEVELOPMENT IN BANGLADESH**NUSRAT JAHAN****ASST. PROFESSOR****DEPARTMENT OF TOURISM & HOSPITALITY MANAGEMENT****FACULTY OF BUSINESS STUDIES****UNIVERSITY OF DHAKA****DHAKA****SABRINA RAHMAN****LECTURER****DEPARTMENT OF INTERNATIONAL TOURISM & HOSPITALITY MANAGEMENT****AMERICAN INTERNATIONAL UNIVERSITY - BANGLADESH****DHAKA****ABSTRACT**

Bangladesh and tourism is very much related as natural and manmade attractions are endowed with its best here. However, many adverse circumstances can sluggish down the pace of potential tourists' desire of visiting this country. This paper is an endeavor to study how the tourism industry are affected by its impediments and to find out some probable ways in order to diminish them. Also, this research examines and analyses the overall environment of tourism industry to identify its strengths as well as opportunities and to deal with its obstacles that is hampering its enhancement. Moreover, people's endless thrust for travelling throughout the world to see the unseen has created unlimited competition among the tourist destinations- each country trying to attract more tourists by adopting proper measures to maintain flawless environment for the betterment of tourism industry. In this paper, exploratory methods based on previous literatures have been used to analyze the data and reach the conclusion. The study ends up with identifying the impeding factors that can hinder the growth of tourism industry in the upcoming years.

KEYWORDS

Bangladesh, tourism, obstructing factors.

1. INTRODUCTION

Tourism has been treated as the largest service providing industry all over the world (McIntosh, Goeldner & Ritchie, 1995). It not only connects different cultures, civilizations, races, lands, tribes and dialects with each other; but also it can be a great source of income for many countries. This industry has been considered as one of the most important, most diverse and richest global industries of the twenty-first century (Kakai, 2012). As foreign exchange earnings in this industry has a highly added value for the national economy, many countries consider this growing industry as the main source of income, an opportunity for employment, private sector growth and economic infrastructure strengthening. Furthermore, the tourism industry can become one of the largest economic realisms for many developing countries (Esfahani, Mina, Padash, & Ali, 2008). So, being a developing country with very few resources, Bangladesh can expect a lot from this industry (The World folio, 2015).

Despite of being blessed with natural resources, Bangladesh strives for some factors which has led its tourists to possess negative perceptions about it (The daily star, 2015). Euro monitor International Ltd, a privately owned, London-based market research firm, stated in its September, 2009 issue that the poor country image of Bangladesh to foreign countries is a great barrier to the tourism industry. Moreover, inadequate promotional activities of tourist destinations are held responsible for this poor country image. Also the infrastructure hurdles, such as lack of connecting roads, ports and airports, have repressed the growth of tourism in Bangladesh (The daily star, 2015). However, the government of Bangladesh has announced the year 2016 as 'Tourism Year' to get more involved with the enhancement of the tourism industry of Bangladesh; both domestic and international; by using appropriate and time-effective strategies (The World folio, 2015). This research paper has tried to find out the impeding factors that were causing hindrances in the development of the tourism industry of Bangladesh. It is hoped that the paper will help the public and private organizations related with the tourism industry to search for ways in removing obstacles and developing this industry. Furthermore, this paper will help the policymakers of tourism in Bangladesh to improve this sector and generate increased revenue to further promote Bangladesh as a tourist destination, both domestically and internationally.

After analyzing secondary data and literatures on different countries like- Jordan, India and Sri Lanka which were having similar situation like Bangladesh, this paper will focus on obstacles like : poor positioning as a tourism product in the global market, ineffective promotion and marketing, less infrastructural development, seasonality of the supply factors, religious fanaticism, insufficient destination facilities and services, safety and security issues, shortage of skilled manpower, lack of tourism education and training and inadequate measures for tourism conservation.

All the way through the research, the researchers have acknowledged that the tourism sector of Bangladesh is currently facing a very difficult situation in terms of sustainability and further development and this sector needs to be dealt with utmost attention by all of its stakeholders if they want to establish Bangladesh as one of the tourism paradises of this world. Based on findings, the researcher has recommended some ways which could be followed to overcome the present situation of the Tourism industry in Bangladesh. This paper has suggested the concerned authority to take initiatives to re-brand, while considering the tourism sector as a major foreign exchange earner. Additionally, this paper emphasized on ensuring security for the tourists and in allocating sufficient budget to strengthen countrywide infrastructures and superstructures.

2. BACKGROUND OF THE STUDY

Now-a-days, tourism has become one of the largest industries and trade sectors of the world, by generating ample employment opportunities and earning huge amount of foreign exchanges for the destination countries. It has left gigantic impact on people's pleasure, knowledge and overall standard of living of both the destination and tourist generating countries. Many of the destination countries have marched forward to reap the full potentials of this industry. But unfortunately, Bangladesh is lagging far behind in this race. Though the country has got many rare attractions that are substantially different from those of other destination countries, its tourism industry is yet at the primitive stage (Shumon, 2012).

The government of Bangladesh, however, has already taken some measures for the development of this industry. But many of those are insufficient in nature and have created little impact on the growth and development of this industry (Shumon, 2012). Therefore, it has now become necessary to uncover the reasons for the backwardness of this industry and to identify the loopholes of the strategies undertaken at present and in accordance with that, to suggest some effective course of actions that should be initiated by the government and other private/public sector bodies in order to diminishing the barriers of this industry.

In Bangladesh, two private/public sector bodies are designated to innovate policies and carry out action-plans for expanding and promoting the tourism sector at this moment. Knowing about their presently undertaken activities and strategies for the betterment of the tourism industry will help to strengthen the foundation

of this paper which, in turn, will help to reach a suitable conclusion. Descriptions about the roles and activities of those two influential bodies of the tourism industry are given below:

2.1 BANGLADESH TOURISM BOARD (BTB)

Amid strong demand from the private sectors and the tourism professionals, the present government, as one of the pre-election pledges to the nation established Bangladesh Tourism Board as the National Tourism Organization (NTO) of the country. The organization has been established as the Statutory Body by dint of Bangladesh Tourism Board Act-2010 passed in the parliament which was in force from July 18, 2010. (Khondker & Ahsan, 2015)

2.1.1. GOVERNING BODY OF BANGLADESH TOURISM BOARD:

Bangladesh Tourism Board is a public-private partnership National Tourism Organization (NTO). It has a governing body of 17 members, of them five are from different industry organizations such as TOAB, TDAB, ATAB, Academician and researchers and women representatives. Ten members are from their respective ministries. The Secretary of the Ministry of Civil Aviation and Tourism is the Chairman of the Governing body. The Chief Executive Officer is the Member-Secretary and the Administrative Chief to implement the decisions of the Governing Body and anything ancillaries to tourism (Khondker & Ahsan, 2015).

2.1.2. FUNCTIONS & RESPONSIBILITIES OF BANGLADESH TOURISM BOARD (KHONDKER & AHSAN, 2015):

- 1) To construct various rules under the law where the main objective is to fill in the gap of existing tourism rules and let regulations proceed.
- 2) To develop Tourism Industries through various planning related activities and side by side give advice as well as directions.
- 3) To create general awareness regarding tourism protection, development and exploration.
- 4) To execute responsible tourism through creation of some helping hand on behalf of government like as personal sector, local people, local admin, NGO, women federation, media.
- 5) To create better communication channel for the International Tourists Organizations in Bangladesh with both government and private tourism related organizations.
- 6) To create a strong and safe foothold for the Bangladeshi Tourist by coordinating with respective government organizations.
- 7) To create a tourism friendly environment in Bangladesh and to market its tourism potential in both domestic and foreign nations.
- 8) To develop human resource for tourism sector by creating training facilities and to provide them with the right directions.
- 9) To attract tourists by maintaining quality and relevant material which in turn can provide smooth tourism service and ensuring necessary actions that need to be taken for maintenance.
- 10) To ensure the participation of physically challenged people.
- 11) To protect women rights and ensure their participation in the tourism sector.
- 12) To research on tourism industry, to survey international markets and to analyse the data.
- 13) To support the small tourism based industries and to provide them the right direction.
- 14) To organize tourism related fairs and to encourage tourism through various promotional techniques.
- 15) To create a database regarding tourism prospects.
- 16) To comply with whichever duty imposed by the Government.

2.2. MINISTRY OF TOURISM AND CIVIL AVIATION

Ministry of Civil Aviation and Tourism was a ministry under central government before independence. After independence of Bangladesh in 1971 matters relating to communication and tourism were vested with the Ministry of Commerce (Khondker & Ahsan, 2015).

In 1972, Civil Aviation Division was created and brought under the Ministry of Shipping, Inland Water Transport and Civil Aviation. However, an independent Ministry of Civil Aviation and Tourism was created in August 1975. This again became a Division under the Ministry of Communication in January 1976. A separate Ministry of Civil Aviation and Tourism was created again in December 1977. On 24th March 1982 the ministry was abolished and Civil Aviation and tourism Division became a new Division under the Ministry of Defense. In 1986, Ministry of Civil Aviation and Tourism was re-established as a ministry and has been continuing as such since then. (Khondker & Ahsan, 2015))

2.2.1. ACTIVITIES OF MINISTRY OF TOURISM AND CIVIL AVIATION (KHONDKER & AHSAN, 2015)

- I. Preparation of laws and formulation of policies relating to civil aviation and its implementation
- II. Modernisation and updating of airports, air routes and air services
- III. Matters relating to air space control, safe take off of aircraft, aeronautical inspection and supervision, the issuance of licences for aircrafts and pilots
- IV. Preparation of laws and rules relating to registration of travel agencies and its implementation
- V. Preparation of laws and Formulation of policies for modernisation of tourism considering global perspective
- VI. Undertake research for development of tourism industry, its modern management and creation of efficient human resources
- VII. Establishment, operation and control of associated/service based organisations relating to the overall development of tourism industries
- VIII. Signing of contracts relating to civil aviation and tourism with local and international organisations and its coordination

2.3 TOURISM PLANNING STRATEGY

2.3.1. MEDIUM TERM STRATEGIC OBJECTIVES AND ACTIVITIES PLAN:

It is planned by Ministry of tourism and civil aviation in order to expand the area of the tourism sector in Bangladesh (Khondker & Ahsan, 2015) are given below:

TABLE 1

Medium-Term Strategic Objectives	Activities	Implementing Departments/Agencies
1. Safe and secure aviation system	Upgrading Hazrat Shahjalal International Airport	Civil Aviation Authority
	Construction of Civil Aviation Authority's Head Office	
	Development of Cox's Bazar Airport	
	Infrastructural development of the existing Airports and construction of international Standard new airports.	
2. Efficient and Standardized air cargo Transport system	Construction of Cargo Village (Phase-2) with Automated facilities at Hazrat Shahjalal International Airport	Civil Aviation Authority
3. Expansion of tourism	Identifying potential tourist spots scattered over different places of the country and modernizing and expanding existing ones	Bangladesh Parjatan Corporation
	Involving local government institutions in tourism activities	
	Creating infrastructure and improving Management of the tourism industry through Public Private Partnership (PPP) arrangements	
	Producing documentary films on Bangladesh Tourism & publicizing tourism events	
	Maintaining tourism related training courses and Establishing four more tourist training centers	
	Participating in tourism fairs organized home and abroad and arranged related programs Capacity building in tourism sector	Bangladesh Tourism Board

2.3.2. TOURISM SECTOR DEVELOPMENT- SEVENTH FIVE YEAR PLAN STRATEGY (7FYP)

Although, government of Bangladesh (i.e. Ministry of Civil Aviation) has already chalked policies/strategies through various legislations including Medium Term Strategic Objectives, specific tourism sector targets/goals need to be set out for the long-term as well and in order to fulfill this purpose, the Seventh Five Year Plan Strategy (7FYP) has been suggested. While designing 7FYP, it has been kept in mind that these targets/goals have to be realistic and based on our strategic advantages such as scenic beauty; eco-system; archaeological sites; and water bodies. (Khondker & Ahsan, 2015)

3. OBJECTIVES OF THE STUDY**3.1. BROAD OBJECTIVE**

To recognize impeding factors that hampers development in the tourism industry in Bangladesh and to suggest some ways that would help diminishing these factors in order to transfigure Bangladesh as a tourism paradise.

3.2. SPECIFIC OBJECTIVES

1. To understand the definition and the speed of progress of the tourism industry worldwide.
2. To identify the available resources as this might quicken the growth of the tourism industry.
3. To categorize the prime products of tourism industry in Bangladesh that can attract domestic as well as international tourists.
4. To point out the factors that would help the tourism industry to grow and would help to form tourists' needs.
5. To analyze the SWOT of tourism industry in Bangladesh through which Bangladesh might form a strong background on tourism.
6. Based on the discussed literatures and authors' insights, some suggestions have been provided to help the tourism industry to develop and to notify the policy makers of the concerned authority.

4. LITERATURE REVIEW**4.1 TOURISM**

Tourism has been one of the world's fastest growing industries, and there are large societies entirely dependent upon the visitor for their sustenance (Himachal Pradesh Development Report, 2005). The definition of tourism has no universal form. It is still now defined by various people by different ways based on their own justification. According to the definition of tourism given in Wikipedia, tourism means going out and visiting place for religious purpose, gathering knowledge and having pleasure, fun, or for economic benefit. Tourism is seen as to travel for recreational, leisure or business purposes. Moreover, the definition of tourism is not static still now. There is no consensus available regarding the definition of tourism. According to UNWTO (2009) definition, tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. According to International Ecotourism Society (1990), "Responsible travel to natural areas that conserve the environment and improves the wellbeing of local people"

Also, tourism has been a way to deal with movement of people to destination outside their usual places of work and home, also the activities undertaken during their study in those destinations, along with the facilities created to supply to their needs. (Methieson & Wall, 1982).

Now-a-days, the tourism industry has become one of the largest industries of the world. International tourist arrivals grew by 4.6% in the first half of 2014 according to the latest UNWTO World Tourism Barometer (2014). Destinations worldwide received some 517 million international tourists between January and June 2014, 22 million more than in the same period of 2013. Growth was strongest in the Americas (+6%) followed by Asia and the Pacific and Europe (both at +5%). By sub region, South Asia and Northern Europe (both +8%) were the best performers, together with North-East Asia and Southern Mediterranean Europe (both +7%).

4.2. TOURISM IN BANGLADESH

Bangladesh as a developing country in South Asia, located between 20°34c to 26°38c north latitude and 88°01c to 92°42c east longitude, with an area of 147,570 square km and a population of 140 million (BPC Tourism Statistics, 2009). It is bordered on the west, north, and east by India, on the southeast by Myanmar, and the Bay of Bengal to the south (Islam, 2013). Though it is a small country, the total contribution of the travel & tourism sector of Bangladesh to GDP was BDT460.3bn (4.4% of GDP) in 2013, and is predicted to rise by 6.5% pa to BDT935.5bn (4.7% of GDP) in 2024. (WTTC, 2014)

According to Risingbd.com (2014); a local online newspaper; Bangladesh can be called a country richer in natural beauties and tourist attractions as it offers:

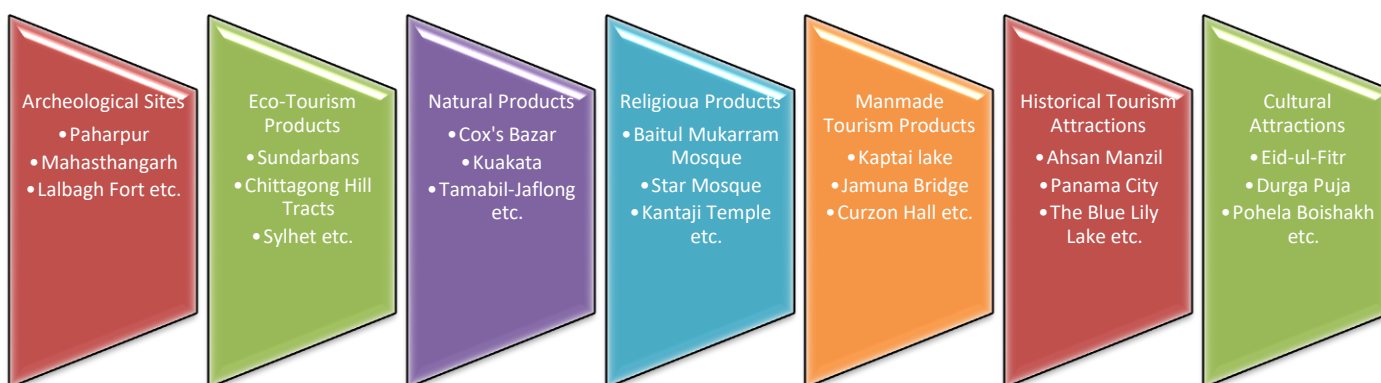
1. The archaeological sites, historical mosques and monuments, rivers, tea gardens, beaches, forests, tribal people and wildlife of various species. Along with rich cultural heritage, it leaves an unforgettable impression on the mind of any visitor.
2. The world's longest unbroken natural sea beach lies on Cox's Bazaar. Other beaches in Bangladesh include Kuakata, which is famous for its sight of both sunrise and sunset. And the beautiful coral island of Saint Martin's is a very popular tourist destination here in Bangladesh.
3. The Hill Tracts; Rangamati, Bandarban & Khagrachori; are known for their high peaks, beautiful lakes and tribal people.
4. The largest mangrove forest in the world, the Sundarbans, is situated in the south-western part of the country.
5. Sylhet, with its green carpet of tea on small hillocks and natural reserved forests, is an excellent picturesque site of serenity.
6. Puthia, Mohastanghar and Paharpur fills up the amazing collection of archaeological sites in the northern side of the Bangladesh.
7. Traditional Food, folk songs, rich culture and heritage and also warm hearted people.

According to Horner and Swarbrook (1996), a tourist destination is a combined satisfaction of attractions, equipment, infrastructure, facilities, businesses, resources, and local communities, which combine to offer tourists products and experiences they seek. So, in order to develop the tourism industry even further, the policymakers need to build strategies to properly utilize its immense natural resources as well as its gigantic local manpower.

4.3 PRIME PRODUCTS OF TOURISM IN BANGLADESH

According to Islam (2014), Bangladesh is a country of bountiful nature and diverse culture. The country as a holiday destination exposes too many flamboyant facets. Its tourist attractions are multifarious, which include archaeological sites, historical mosques, monuments, temples, shrines, resorts, stretched beaches, mangrove forests, tribal people and wildlife of various species. Islam (2014) has also characterised the prime products of tourism industry in Bangladesh into seven categories which are described below:

FIG. 1: SEVEN CATEGORIES OF PRIME PRODUCTS OF TOURISM IN BANGLADESH (Islam, 2014)



4.4 BARRIERS TO THE GROWTH OF TOURISM INDUSTRY

Due to having diversified tourist attractions, like- hilly areas, sea beaches, mangrove forest, historical places and so on, Bangladesh has a huge potential in the scenario of the world of tourism (Islam, 2006). Unfortunately, despite of having the longest sea beach of the world at Coxes Bazar, the largest mangrove forest, the Sundarbans, attractive hilly areas in Hill Tracts, Bangladesh could not attract sufficient number of foreign tourists in previous years (Euro monitor, 2009). Multi-faceted problems are causing the frustrating scenario of the country's tourism sector. In Bangladesh, insufficient infrastructural development at various tourist spots, lack of proper facilities for the tourists, scarcity of skilled and professional tour service providers and poor promotional programs are responsible for the lower response from the foreign tourists (Euro monitor, 2009). Therefore, the target customers are not getting attracted properly and thus the tourism sector in Bangladesh is not flourishing as it was expected to be.

The Katalyst (2010) portrayed that Bangladesh is one of the most diverse nations in the region with significant prospects for tourism development considering its geographical location and topography. It is ideal for nature-based and cultural tourism making it an attractive destination for both inbound and domestic tourists. But the basic structure required for attracting the domestic as well as foreign tourists is yet to be developed.

The performance of a place as tourist destination and satisfaction of visitors are of paramount importance to the destination competitiveness since the pleasantness of the experience is more likely to influence visitors' future behaviour (Baloglu, Pekcan, Chen, & Santos, 2003). Whereas the neighbouring countries like India, Sri Lanka, Maldives and Nepal attract substantial number of tourists every year and thus generates huge amount of foreign currencies, Bangladesh could not develop its various tourist destination sufficiently attractive to the foreign tourists (Islam, 2006). The constraints for which the sector is struggling to keep up with the growth pace of other Asian countries are: absence of effective policy and planning, inadequate development of destination's infrastructures, environmental degradation, inadequate modern tourist facilities, lack of access to skilled manpower and poor promotional and awareness-creating programs are the major impediments hindering the growth of this sector (Katalyst, 2010).

Despite all of these impediments, Bangladesh Parjatan Corporation (2009) estimates show that the annual growth of the inbound tourists over the last 8 years has been around 9% on an average. Moreover, due to a growing middle income population with higher disposable income, domestic tourism is also increasing with strong and sustained average growth rates of about 25% per annum. With such wonderful potentials, the current situation of the tourism Industry of Bangladesh calls for the identification of its hindrances and formulation of policy and strategy measures to eliminate them.

In the light of the above mentioned literatures, the findings of the present study might be of immense help to overcome the obstacles in the development of tourism industry of Bangladesh. As there has been less study covering this area, it is expected that this study will provide sufficient information on the current condition of tourism industry of Bangladesh which may, in turn, will assist in planning and designing suitable strategies in the future. It is expected that when these impediments will have been tackled, it will contribute toward building Bangladesh as a successful and sustainable tourist destination.

5. PROBABLE FACTORS INFLUENCING THE GROWTH OF THE TOURISM INDUSTRY WORLDWIDE

The growth factors described by different authors in different times for the development of tourism industries in many countries might work as enablers for the growth of the tourism industry of Bangladesh as well. Some of those growth factors are discussed below:

DEVELOPMENT FACTORS OF TOURISM INDUSTRY BY ARDAHAHEY AND ELAHE

According to Ardahaey and Elahe (2010), four factors influence the development of tourism industry.

FIGURE 2: FACTORS FACILITATING THE DEVELOPMENT OF TOURISM INDUSTRY. (Ardahaey and Elahe, 2010)

**SECURITY**

Security and order have a mutual relationship in a political system, therefore, social cohesion can be considered as a work of safety and security and this security is the result of the social order. As, much of the world's tourism industry is located in close proximity to the world's oceans, and another large portion of the world's tourism industry is located in seismic areas or areas that are prone to other natural disasters. We, however, can learn from these tragedies and work so that in the future as an industry we can assure ourselves that we have done everything possible to provide a safe, secure and hassle free tourism experience.

Tourist destinations are viewed as systems, which consist of accommodation, attractions and accessible transportation segments. Rather than dealing with the various segments of a destination, the systems approach to management views the destination as a unified, purposeful system composed of interrelated parts. This approach gives managers a way of looking at the destination as a whole and as a part of the larger, external environment (Chiang, 2010).

CITIZEN PARTICIPATION

Citizen participation can be viewed from the perspective of benefits to be gained and costs to be borne. Implicit in this "penchant for getting involved" is the notion of the relationship between self and society (Esmaeil, Ramezan & Alireza, 2009).

Heberlein (1976) noted that public involvement results in better decisions. He argues that community decisions that involve citizens are more likely to be acceptable to the local people. Better community decisions, by definition, should be beneficial to the average citizen.

Cahn and Camper (1968) suggest there are three rationales for citizen participation. First, they suggest that merely knowing that one can participate promotes dignity and self-sufficiency within the individual. Second, it taps the energies and resources of individual citizens within the community. Finally, citizen participation provides a source of special insight, information, knowledge, and experience, which contributes to the soundness of community solutions. Without this support, scores of worthwhile projects would never be achieved in many communities. In summary, decision making that is delegated by others will not always be in the best interest of an individual and his or her neighbours. Community betterment is a product of citizen involvement. This involvement can be well effective in policy making for the industry of tourism in any country.

MEDIA AND TOURISM

Media communications technologies are imperative for frontline investments for sustainable globalised tourism development indicators. Developing communication is one of the best ways to go in developing eco-tourism. This strategy involves the planned communication component of programs designed to change the attitudes and behavior of specific groups of people in specific ways through person-to-person communication, mass media, traditional media or community communication. It is aimed at the delivery of services and the interface between service deliverers and beneficiaries where people are empowered to be informed choice, education, motivation and facilitation effecting the expected changes. This can be done by media advocacy targeting all key stakeholders involved in the tourism industry. Effective use of communication techniques can barriers and promote better uses participatory message design which combines both traditional and modern media.

INFORMATION TECHNOLOGY AND TOURISM

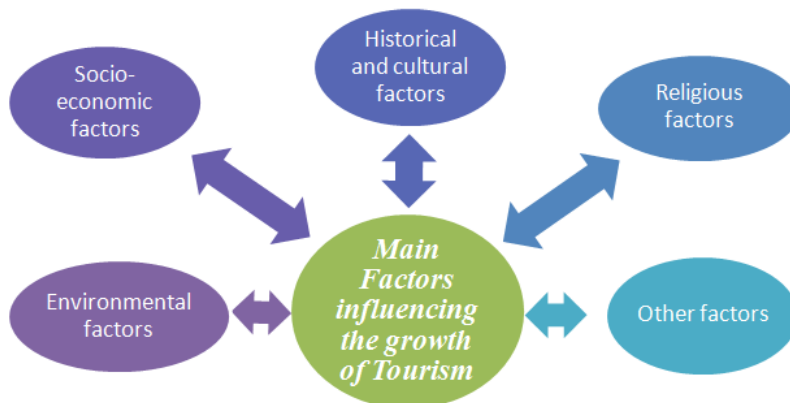
Information and communication systems embedded in a global net have profound influence on the tourism and travel industry. Reservation systems, distributed multimedia systems, highly mobile working places, electronic markets, and the dominant position of tourism applications in the Internet are noticeable results of this development. And the tourism industry poses several challenges to the IT field and its methodologies.

Till a few years ago, the basic sources of information in the tourism sector were pamphlets, brochures, directories, guide books, etc. produced and published by different countries. These sources prevail even today, though they are the most inefficient means of information. The last few decades witnessed the application of computer and communication technologies in the field of tourism. Two distinct streams of information sources viz, (i) online and (ii) offline came into existence. Databases containing information about places, tourist attractions and facilities became available for online access in several countries. The emergence of computerized reservations system (CRS) like Galileo, Amadeus, Sabre, PARS, JALCOM, QAMTAM and ABASUS, etc. opened up a new source of online information on tourism and are being expanded continuously. The latest source of online information is INTERNET which contains some pages on most of the tourist destinations in the world¹⁰.

GROWTH FACTORS OF TOURISM

Sandeep Patil (2013) has pointed out the five factors affecting the growth of tourism in a diagram that are discussed below which are more alike in the case of tourism industry of Bangladesh:

FIGURE 3: FIVE FACTORS INFLUENCING THE GROWTH OF TOURISM INDUSTRY (Patil, 2013)

**ENVIRONMENTAL FACTORS**

Two main environmental factors that have led to the growth of tourism:

- I. Good climate: Good climate is one of the most important features of attraction for any tourist place. Pleasant climate with warmth and ample of sunshine attracts tourists who come from the temperate and colder regions.
- II. Beautiful scenery: Tourism booms at picnic spots with beautiful sceneries. For example, sunrise and sunset points, long sea beaches, fresh water lakes, waterfalls, etc., often attract large numbers of tourists.

SOCIO-ECONOMIC FACTORS

Four important socio-economic factors that influence the development of tourism:

- I. Accessibility: Of all socio-economic factors, accessibility is the most important one. All tourist centres must be easily accessible by various modes of transportation like roads, railways, air and water etc.
- II. Accommodation: Places of tourists' interest must be capable enough to provide good accommodation and catering facilities. Classification of accommodation centres (i.e. various hotels, motels, dormitories, etc.) on basis of rating like five stars and below are essential so that tourists can make a proper choice and plan their trips appropriately.
- III. Amenities: Growth of tourism at a particular place is also influenced crucial factors like; how well the site is maintained for touring activities like skiing, roping, paragliding, rowing, fishing, surfing, safari adventure, etc.
- IV. Ancillary services: If a tour destination is equipped by ancillary (supplementary) services like banking and finance, the Internet and telecom connectivity, hospitals, insurance, so on, then such a place succeeds to hold (retain) more tourists for a longer time. This overall helps to boost the local economy to some extent.

HISTORICAL AND CULTURAL FACTORS

Many tourists are attracted to places of historical significance and that which have a legacy of rich cultural heritage. People love and enjoy exploring destinations where there are famous ancient monuments, marvellous forts, castles and palaces of earlier kings and queens, etc.

Examples of places that are famous throughout the world for their historical and cultural accounts are; TajMahal in India, Nazca lines and Machu Picchu in Peru, Pyramid of Giza in Egypt, Great wall of China and Stonehenge in England.

RELIGIOUS FACTORS

People often make pilgrims to places of religious importance to seek inner peace, get blessing of their favourite deities and gurus, attain salvation before death, etc. Here, faiths, beliefs and sentiments of people contribute in booming tourism at holy places.

Examples of places that are well-known for their religious significance are Jerusalem in Israel, Mecca and Medina in Saudi Arabia, Varanasi and Amritsar in India, etc.

OTHER FACTORS

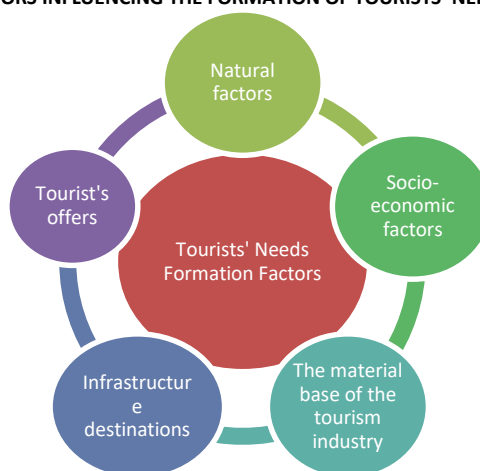
Sometimes other factors also contribute toward growth of tourism at unexpected places. For example, UFO crash site in Roswell, New Mexico (USA) attracts many tourists from around the world.

Research activities and adventures of deep seas and caves, geological studies of hot-water springs and geysers, seismic analysis of active volcanoes, investigation of paranormal-activities in abandoned ghost towns, etc. also contribute in developing tourism on some scale.

FACTORS INFLUENCING THE FORMATION OF TOURISTS' NEEDS BY IPATOV

Ipatov (2012) summarized five groups of factors that influence the formation of tourist needs, and hence on the success of the tourist center and tourist business:

FIGURE 4: FACTORS INFLUENCING THE FORMATION OF TOURISTS' NEEDS (Ipatov, 2012)



- Natural factors - natural resources that are available to tourists (location destinations, climate, flora, fauna, proximity to water, comfortable and attractive, beautiful natural sites, etc.).
- Socio-economic factors - the development of space recreation (language, economic and cultural level of the country).
- The material base of the tourism industry - the main building ground to meet the needs of tourists in terms of amenities and aesthetic perception (hotels, catering, leisure, sports and spa facilities, and so on). Important are the level of comfort, architectural object facilities, its compliance culture, the architecture or nature, national characteristics, and type of tourism (recreation, sports, business trip, etc.).
- Infrastructure destinations - surface and underground works required to meet the needs of the tourism industry (communications, roads, lighting, beaches, parking, gardens and farms, etc.).
- Tourist's offers (resources of hospitality industry) - the cultural richness of the tourist center. Hospitality, tourism is of great importance. Contribute to the success of tourism: art, literature, music, theater, available at the tourist center. Resources can serve as a hospitality folk festival, the National Gallery of Art, festivals and much more capable to interest, attract tourists, including a tour, informative, sports, entertainment, spa, recreational offers.

6. ANALYSING OF THE TOURISM INDUSTRY OF BANGLADESH: IT'S INTERNAL AND EXTERNAL FACTORS (SWOT ANALYSIS)

According to Ali and Parvin (2010), Bangladesh can earn a lot from tourism industry and can be benefited from the tropical weather and natural beauty. On the other hand, Karim (2014) has identified some obstacles for which the tourism industry of Bangladesh has failed to progress as per expectations and those obstacles have created some other problems, like- environmental degradation, loss of cultural heritage, loss of employment opportunity, and social mobility.

An inside-out analysis of the tourism industry of Bangladesh can bring out the problems that are needed to be rectified urgently and the potentials that can be fostered to highlight Bangladesh as an attractive tourist destination. Table given below shows the SWOT analysis of Tourism industry of Bangladesh along with the ways to exploit the positive factors while minimizing the negative ones.

TABLE 2: SWOT ANALYSIS - STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (Developed by authors)

Industry	Tourism		
Internal Factors			
Strengths <ul style="list-style-type: none"> • Hospitable nature. • Rich natural and cultural destination. • Manpower • Longest sea beach. • Mangrove forest • Large inbound tourists from Asia, Europe, UK and USA. • Lower costs to operate this industry. 	Ways to exploit <ul style="list-style-type: none"> • Spread over the hospitality in the industry. • Highlighting destinations to tourists. • Train manpower. • Promote nationally. • Sustainable reservation. • Create satisfied tourists. • Maximum utilization of the factors of production. 	Weaknesses <ul style="list-style-type: none"> • Lack of knowledge about demand pattern. • Lower sustainable use of tourism resources. • Non-availability of infrastructure. • Lack of educated staff. • Short high season of tourism. • Uncontrolled development. • Less effective planning and policy. • Low level of co-operation and innovation. • Lack of marketing professionalism. 	Ways to reduce <ul style="list-style-type: none"> • Dissemination of information about demand. • Efficient use of resources. • Developing strong infrastructure. • Higher skilled personnel. • Exploit season as much as possible. • Develop control mechanism. • Planning according to resource. • Introducing innovative technology. • Hire professionals.
External factors			
Opportunities <ul style="list-style-type: none"> • Improving economic condition. • Bangladesh fighting against corruption to present stable tourism environment. • Strong linguistic, cultural and historical connections. • Growth of regional, local and world tourism travel activities. • Soothing travel season and environment. 	Ways to exploit <ul style="list-style-type: none"> • Utilizing positive economic structures. • Communicate about recent scenario to the world. • Using the connections to be in touch with tourists. • Spreading the newly discovered spots of this country. • Attracting tourists more and more to travel on the tourist season to enjoy the scenic beauty. 	Threats <ul style="list-style-type: none"> • Shifts in consumer tastes. • Negative word-of-mouth by dissatisfied tourists. • Climatic changes and natural hazards. • Corruption and other catastrophes creating difficulties. 	Ways to reduce <ul style="list-style-type: none"> • Appreciate the change in taste. • Being the best in service. • Arranging necessary steps to recover those climatic challenges. • Facing difficult situations while maximizing potentialities of tourism industry.

7. IMPEDIMENTS TO THE DEVELOPMENT OF TOURISM INDUSTRY IN BANGLADESH

Despite of being a member in World Tourism Organization (WTO) since 1970, the tourism industry of Bangladesh has faced many hindrances and nevertheless this country continued to attract the international and domestic tourists (Karim, 2014). Bangladesh Parjatan Corporation (BPC) claims that Bangladesh had 150 thousand tourists in 2014 with 2759.70 million taka hitting a new record for the industry (Karim, 2014). The government of Bangladesh, however, has already taken some measures for the development of this industry though those measures have created a little impact on the growth and development of this industry. Therefore, it is necessary to uncover the reasons of Bangladesh being backward in tourism and by identifying the loopholes of these current initiatives, corrective measures could be undertaken to attract potential tourists and to create new opportunities in the field of tourism.

In this paper, the researchers' aim was to find out some factors that impede the development of tourism industry in Bangladesh. A list of impeding factors is given below based on the analysis of previously mentioned literatures and other secondary data that were collected in situations similar to Bangladesh:

- 7.1 Lack of knowledge/training and skilled human resource in the tourism industry (Mishra and Panda, 2001; Dabour, 2003; ESCWA, 2001; Shdeifat, et al., 2006; Yesiltas, 2009; Parvaneh, 2013; Karim, 2014).
- 7.2 Lack of facilities and services/ infrastructures at many of the sites and destinations (JICA, 2004; Ritchie & Crouch, 2003; Shdeifat, et al., 2006; Parvaneh, 2013).
- 7.3 Weak composition of different public/private organizations involved in tourism development with funding insufficiency (Shdeifat, et al., 2006; WTTO & IH&RA, 1999).
- 7.4 Improper behavior of visitors at destinations and sites that impact tourist satisfaction (JICA, 2004; Shdeifat, et al., 2006; Karim, 2014).
- 7.5 A false impression/ poor marketing or promotion that unlike many countries Bangladesh is an unsafe destination for international tourists (Shdeifat, et al., 2006; Hossain & Nazmin, 2006; Daily Star, 2013; Parvaneh, 2013).

8. CONCLUSION AND RECOMMENDATIONS

Throughout the whole research, the authors have identified that the tourism sector of Bangladesh is facing intensive problems in many aspects. The aim of this paper was to recognize the factors that impede the growth of tourism development of Bangladesh in somewhat manner. Based on the findings, the authors have recommended some measures to abolish those impediments of the tourism industry. Moreover, develop a positive image of Bangladesh worldwide, the suggestions ask the concerned authorities to take appropriate initiatives to re-brand Bangladesh, to ensure sufficient security for the tourists and thus, to make the tourism sector as a major foreign exchange earner of Bangladesh. Moreover, both private and public owned tour operators have resource constraints and as a result, it is difficult for them to conduct promotional campaigns by maintaining the international standard which is an essential for attracting tourists from all over the world. Likewise, the low quality promotional materials may create a negative impression to its potential market, which will adversely affect the tourism of Bangladesh.

Although, the tourism industry in Bangladesh still lagging far behind from reaching its ultimate triumph, it can attract a significant number of tourists by trying to rectify the above-mentioned impeding factors. By analyzing the previously discussed research papers and literatures a bit further, this paper can be concluded by adding some more suggestions which will progressively help Bangladesh to become a Tourism Paradise of this world:

- 8.1 Inventiveness to re-brand Bangladesh
- 8.2 Mull over the tourism sector as a major foreign exchange earner
- 8.3 Ensure security for the tourists
- 8.4 Allot sufficient budget to the tourism sector
- 8.5 Fabricate more infrastructures and superstructures
- 8.6 Make certain political stability
- 8.7 Prop up tourism in home and abroad
- 8.8 Making tourism information more available
- 8.9 Settle down the regulations to facilitate tourism
- 8.10 Proclaim well thought-out tourism policy
- 8.11 Alter the tourism laws

REFERENCES

1. Ali, M., & Parvin, R. (2010). Strategic Management of Tourism Sector in Bangladesh to raise Gross Domestic Product: An analysis.
2. Ardahaey, F., & Elahe, H. (2010). Factors Affecting the Development of Tourism Industry in Iran.
3. Baloglu, S., Pekcan, A., Chen, S. L., & Santos, J. (2003). The relationship between destination performance, overall satisfaction, and behavioural intention for distinct segment. *Journal of Quality Assurance in Hospitality & Tourism*, 17 (1), 149-165. [Online] Available: <http://www.haworthpress.com/web/JQAHT>
4. Bangladesh Tourism Board. Bangladesh Tourism Board Statistics (2009-2010). Retrieved from: <http://tourismboard.gov.bd/publications/statistics/>
5. BPC Tourism Statistics. (2009). Bangladesh Parjatan Corporation. Retrieved from: <http://www.parjatan.gov.bd/tourism2009.php>
6. Cahn, Edgar, S., & Camper, J. (1968). "Citizen Participation," *Citizen Participation in Urban Development*, Hans B.C. Spiegel, ed. Washington D.C.: N&L Institute for Applied Behavioral Science.
7. Chiang, L. C. (2010). Strategies for Safety and Security in Tourism: A conceptual framework for the Singapore Hotel Industry, *The Journal of Tourism Studies* Vol. 11, No. 2, DEC.
8. Christenson, James, A., Robinson, & Jerry, W. (1980). *Community Development in America*. Ames, Iowa: Iowa State University Press.
9. Cook, James, B. (1975). *Citizen Participation: A Concepts Battery*. Columbia: University of Missouri, Department of Regional and Community Affairs.
10. Ebrahimpour, A., & Haghighi, A. (2010). Role of Service Quality in Development of Tourism Industry.
11. Esfahani, Mina, Padash, & Ali. (2008). Investigating Ways of Public Participation in Tourism Development, *Journal of Cultural Management Research*, Before, Third Pre-Issue, Tehran, Iran.
12. Esmaeil, K., Ramezanali, R., & Alireza, E. (2009). The Role of Tourism Agencies in Development of Tourism in Iran, *European Journal of Social Sciences*, Vol 12, Issue 1.
13. Euromonitor International (2009) Report on "Travel and Tourism in Bangladesh"- October 2009 edition. Retrieved from: <http://www.euromonitor.com>
14. Euromonitor International (2013) Report on "Travel and Tourism in Bangladesh"- August 2013 edition. Retrieved from: <http://www.euromonitor.com>
15. Hasan, S. R. (2006). Problems and Prospect of Bangladesh Tourism Industry. Research Book- Bureau of Business Research, University of Dhaka, Bangladesh.
16. Heberlein, & Thomas, A. (1976). *Principles of Public Involvement*. Madison: University of Wisconsin, Department of Rural Sociology.
17. Henderson, J. C. (2011). Tourism and politics development, *The Philippines. Tourisms: An International Multidisciplinary Journal of Tourism*, Vol 6, No.2 pp159-173
18. Himachal Pradesh Development Report. (2005). Published by: Planning Commission, Government of India.
19. Horner, S., & Swarbrooke, J. (1996). *Marketing Tourism, Hospitality and Leisure in Europe*.
20. Hossain, M. A., & Nazmin, S. (2006). "Development of Tourism Industry in Bangladesh - an empirical study on its problems and prospects" Centre for Tourism and Hotel Management Research, Ga-1, Rashedul Hasan Bhaban, University of Dhaka.
21. <https://www.ecotourism.org/what-is-ecotourism>
22. International Ecotourism Society. (1990). Retrieved from: <https://www.ecotourism.org/what-is-ecotourism>
23. Ipatov, V. (2012). World tourism: history, structure, development prospects.
24. Islam, K (2014) "A study on development strategies of tourism in Bangladesh". Thesis paper of Doctor of Philosophy in Marketing. Department of Marketing, University of Dhaka.

25. Islam, S. M. N. (2013). Tourism Marketing in Developing countries: a study of Bangladesh: *Hospitality and Tourism Management, University of Strathclyde, Glasgow*.
26. Islam, S.M. (2006). Rural tourism: right time to contemplate. *The Daily Star* (Dhaka), An English daily.
27. Kakai, L., S. (2012). Obstacles which significantly affect tourism development in Jordan.
28. Karim, M. R. (2014) "Policy analysis of tourism development in Bangladesh compared with the Bhutanese policy". *Journal of public administration and policy research*. Vol. 6 (6). Pp 132-143.
29. Katalyst. (2010). Views on Tourism -focus on Bangladeshi tourism by Majbritt Magnussen. Retrieved from: <http://www.viewsontourism.info/2010/katalyst-focus-on-bangladeshi-tourism/>
30. Mathieson, A., & Wall, G. (1982). *Tourism. Economics, Physical and Social Impacts*. New York: Longman
31. McIntosh, R., W., Goeldner, C., R., & Ritchie, J., R. (1995). *Tourism: Principles, Practices, Philosophies*.
32. Ministry of Trade and Industry, Republic of Trinidad and Tobago. (2004). *Strategic Approach to Tourism as an Export and Development Opportunity in Small States: Port of Spain, Trinidad & Tobago*.
33. Mishra, S., & Panda, T. K. (2001). "Socio political barrier to tourism marketing in South Asia"
34. Parvaneh, P. (2013). Identify and Ranking the Factors affecting Customer satisfaction in the carpet Industry (Case Study: Sahand Carpet Co.).
35. Patil, S. (2013). Five Main Factors Influencing the Growth of Tourism with Diagram.
36. Shdeifat, O., Mohsen, M., Mustafa, M., Al-Ali, Y., & Al-Mhaisen, B. (2006). Development of Methods and Tools for the Establishment of Good Environmental Performance in the Tourist Accommodation Sector in Jordan –Implementation of pilot studies. In G. Tas (Ed.). *Zarqa: The Hashmite University*.
37. Shumon, Z. (2012). *A study on tourism industry of Bangladesh*.
38. Thomson, M. (2009). Views on Tourism. Retrieved from: <http://www.viewsontourism.info/page/23/>
39. UNCSD NGO Steering Committee. (1999). *Sustainable Tourism: A Non-Governmental Organization Perspective*.
40. UNWTO Tourism Highlights. (2014). Retrieved from: <http://www.eunwto.org/content/r13521/fulltext.pdf>
41. UNWTO. (1995). "UNWTO technical manual: Collection of Tourism Expenditure Statistics"- World Tourism Organization.
42. World Tourism and Travel Council. (2006). *Country Reports in South Asian Yearbook of Trade & Development*.
43. Worldfolio (2015) Report on: 2016 hailed the 'Year of Tourism' as mega plan gets under way. Retrieved from: <http://www.theworldfolio.com/files/file/report-5603d6b447710.pdf>
44. WTTC. (2014). *Travel & Tourism Economic Impact*. Retrieved from: <http://www.wttc.org/media/files/reports/economic%20impact%20research/regional%0reports/world2014.pdf>
45. Yesiltas, M. (2009). "Obstacles to the Tourism Development in Kyrgyzstan", Gazi University, Commerce & Tourism Education Faculty, Department of Tourism, Turkey: Ankara.

E-MARKETING: A MODERN APPROACH OF BUSINESS AT THE DOOR OF CONSUMER

DR. MANOJKUMAR JYOTIRAM GAIKWAD
ASST. PROFESSOR
DEPARTMENT OF ECONOMICS
VASANTRAO NAIK COLLEGE OF ARTS & SCIENCE
SHAHADA DIST NANDUBAR

PAIKSHITKUMAR HIRALAL KATE
RESEARCH SCHOLAR
NORTH MAHARASHTRA UNIVERSITY
JALGAON

ABSTRACT

Marketing is backbone of any business environment. With evolution of internet technology, E-marketing becomes necessary for making successful business impact. E-marketing means applications of marketing principles & technologies via electronic media. E-marketing is more advantageous in current business scenario and allows marketers to define their marketing strategies. E-marketing is combination of digital technologies which differentiate your products & services from competitors. E-marketing includes both direct response marketing & indirect marketing elements. E-marketing directs different marketing activities via World Wide Web with aim attracting new opportunities in business and retaining the existing one. Due to technological advancement and increased competition, e-marketing can be term as one of the major shuffle in business strategies. In this, paper author discussed about different e-marketing methodologies and their use in current business scenario. The author finds out that by using different e-marketing methodology, traditional approach of marketing has changed due to the door step service for consumer.

KEYWORDS

direct marketing, e-marketing, indirect marketing

INTRODUCTION

Marketing has been around forever in one form or another. From the time of human evolution trading has been integral part of human living. With the effect of barter exchange system marketing has play its own role to makes other humans to trade. Rapidly evolving internet technologies has reduced the production & service cost and extends geographical boundaries by bringing buyers and seller together.

With the advancement in technology and global economic environment globalization has opened a new door of marketing. E-marketing is combination of both direct and indirect marketing elements and uses numbers technologies for connecting with their customers. E-marketing is most important business strategies in present business context. For any business marketing is a key mantra. E-marketing varied a lot in past decade. Starting from traditional marketing to e-marketing in today's life style there are numerous techniques, methods which had played a vital role in the development of marketing strategies. E-marketing is not new but with the e-evolution in India marketers need to adapt to it and learn how to use it.

Revenue in the United States grew to an estimated \$7.1 billion in 2001 or about 3.1 percent of overall advertising spending. The dot.com bust weakened early online advertising industry and reduced the demand for online advertising and its related services. With introduction of Web 2.0 in 2004 the industry regained momentum. Numbers of new businesses are immersing such as advertising space on web pages, generation of web traffic by giving away the content and sell that traffic to advertisers. According to IAB Internet Advertising Revenue Report (2007), in the first half of 2007 alone advertisers in the US spent more than \$10 billion advertising on websites. That was about 14 percent of all advertising spending. As online retail sales continue to increase at a slower pace than expected, practitioners and academics alike are still searching for factors that influence the consumer's online shopping behavior (Korgaonkar and Karson 2007).

REVIEW OF LITERATURE

To achieve marketing objectives E-marketing plays an important role (Chaffey et al. 2006).

To reach products & services to customers, to make customers aware about products & service it is essential to follow the latest technologies or concepts of E-marketing (Srinivasan and Jollyvinisheeba 2013).

Online advertising began in 1994 when HotWired sold the first banner ads to several advertisers (Kaye and Medoff 2001).

While previous research has examined Internet usage (Teo et al. 1999), online shopping (Teo and Yu 2004), commercial websites (Gonzalez and Palacios 2004), website design (Kim et al. 2003), and website effectiveness from the consumers' perspective (Bell and Tang 1998), there is a general lack of research on specific online marketing tools and the effectiveness of these tools.

IMPORTANCE OF THE STUDY

Indian retail environment is shifting from brick & mortar to online business model. In diversely competitive new environment traditional marketing channel will not be effective. So marketer need to adapt new marketing initiatives. As a result of technical enhancement different e-marketing techniques emerge. Paper throws light on effective use of e-marketing channels with practical implementations by different industry leaders.

STATEMENT OF THE PROBLEM

Evolution of internet and its rapid acceptance in Indian society has opened a new door for markers to reach their customers by means of e-marketing. In the Indian context e-marketing is new and it is important that markers should know effective use of different e-marketing tools. Paper discussed different e-marketing methods and their effective use.

OBJECTIVES

To know the effectiveness of following in successful e-marketing:

- Newsletters
- Social Media
- SEO
- Mobile
- Webinar
- Video

- Content
- Paid advertising
- Email

RESEARCH METHODOLOGY

The research paper is original work based on the attentive observation of the researcher on current e-marketing strategies of e-retailers in India. The Paper also makes use of secondary research.

DISCUSSION

MARKETING

Marketing means communicating value of your products or services to your desired customer.

E-MARKETING

E-marketing is communicating value of your products or services to your desired customer using digital technologies mainly on the internet.

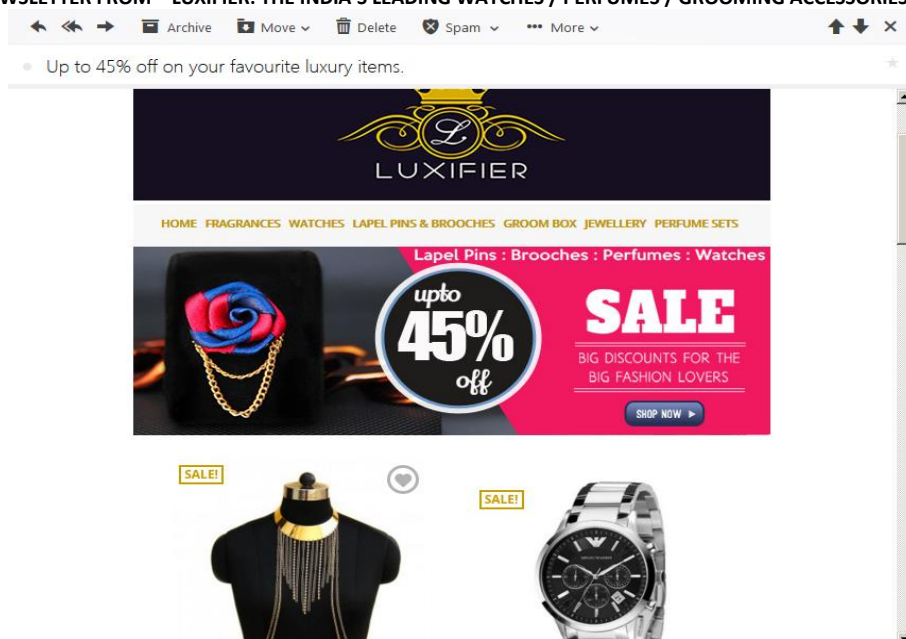
DIFFERENT E-MARKETING METHODS

NEWSLETTERS

Newsletters are electronic "one page" documents sent by email to a defined list of recipients who have signed up to receive. Newsletter emails are commonly sent from 3rd party service providers. Newsletters with pictures and videos will engage 50 to 70 % more clicks than text. Newsletter is the best way to reach consumers who cannot be reaching by social media.

Below is the newsletter by Luxifier which attracting customers by giving offers on his products. Most of the times customers unmodified about offers & discounts so Newsletters is effective medium of e-marketing.

FIGURE 1: NEWSLETTER FROM – LUXIFIER: THE INDIA'S LEADING WATCHES / PERFUMES / GROOMING ACCESSORIES ONLINE STORE



Source: A Newsletter in Email box

SOCIAL MEDIA

The best method of marketing is through 'word of mouth'. When people share different information thru social media in their network it becomes recommendations for the other people for using that product. According to a report by the Internet and Mobile Association of India (IAMAI), 66% of the 180 million Internet users in urban India regularly access social media platforms. Social media facilitates sharing products/ services information via social channels like LinkedIn, Twitter, and Facebook etc. So Social Media is one of the best medium for reaching your customers. Figure 2 shows how flipkart has use twitter as a medium of marketing of his offerings.

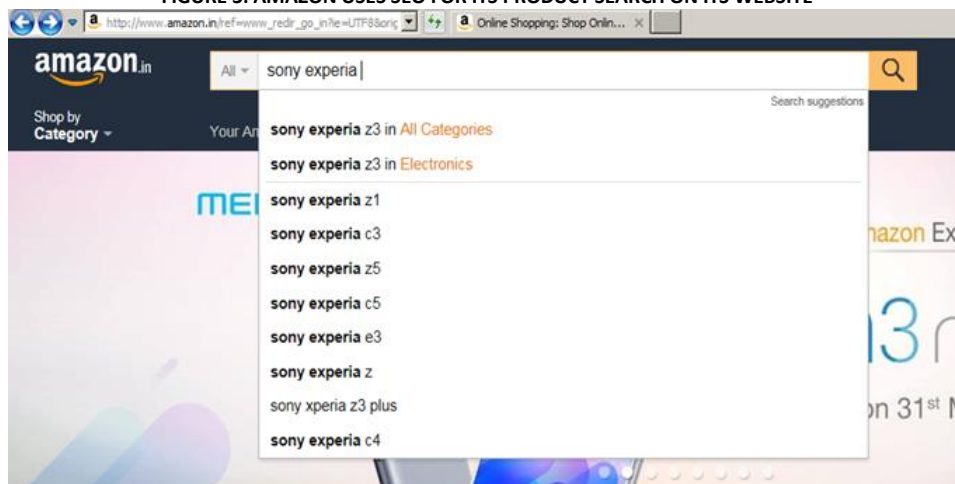
FIGURE 2: USE OF TWITTER BY FLIPKART FOR MARKETING PURPOSE



Source: Screenshot from www.twitter.com

SEO

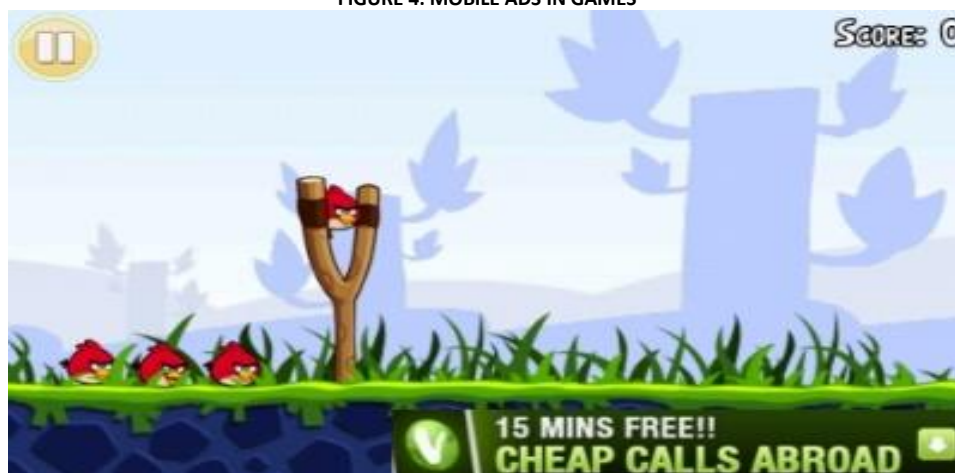
Search Engine Optimization is the process of affecting the visibility of a website or a web page in a search engine's unpaid results. Customers are more likely to click an organic link as compared to paid links. Organic search takes 94% of overall market Goodwin (2012). SEO is must for any online marketing as it connects to new customers who may not connected by other channels. Basic training is required for effective implementation of SEO for any business. Google Keyword tool is one of the best for SEO practice. Below we can see how Amazon has implemented SEO while searching products.

FIGURE 3: AMAZON USES SEO FOR ITS PRODUCT SEARCH ON ITS WEBSITE

Source: Creation from www.amazon.in

MOBILE

The use of the mobile medium as a means of marketing communication provide customers with time and location sensitive, personalized information that promotes products, services. According to Internet and Mobile Association of India (IAMAI), the number of mobile internet users in India is expected to reach 371 million by June 2016. According to recent reports, 40% of user's internet time is spent on mobile devices. eMarketers should consider this continual growth in the number of Smartphone's internet users in making their e-marketing strategies. Various means of connecting to people are via Mobile App, Mobile ads, in-game mobile ads, location based marketing, sms. Figure 4 shows mobile ads pops up while playing game. Figure 5 shows device specific apps of Amazon so that they can increase their market reach among people having hand held devices.

FIGURE 4: MOBILE ADS IN GAMES

Source: Mobile Game

FIGURE 5: MOBILE APP – MEDIUM OF E-MARKETING

Source: Google images

WEBINAR

Webinars are seminars held on the web and they used for promotions, product knowledge etc. They use for giving value to potential customers, demonstrate your company's capabilities such as expertise, product. Its uses multimedia capabilities such as presentations, demo of products which is followed by QA session. Webinar can also be recorded and posted on different websites for reuse purpose so webinar has virtually global reach wherever your target may be. Figure 6 shows how Infibeam has use Webinar as e-marketing tool in their marketing strategy.

FIGURE 6: WEBINAR INVITE BY INFIBEAM



Source: Google images

VIDEO

As long as video are reasonably short, entertaining, and effective people will like them. With Mobile internet evolution videos can be very effective to get your company or product message across quickly and effectively, especially for busy people.

Imperial Blue's video campaign men will be men is one of the best video marketing campaign.

CONTENT

Different content that supports e-marketing initiatives are blogging, Press release (PR) distribution, news items and feeds.

A blog is online presence in which the owner posts updates, stories, media etc. A blog can be a website. If blogs are updated regularly they will get better search ranking than website on google search results. Articles posted in the blog can also be reused in social media, newsletters, etc.

A press release is an article written about your company for any product release or any other event. It is mostly done through 3rd party online services that provide feeds of news. It offers content in a format that allows other sites and services to add your PR to their websites easily thus boosting their content and value. Figure 7 shows blog of LG India for marketing their electronics products.

FIGURE 7: LG INDIA USES BLOG AS CONTENT MARKETING TOOL



Source: LG India website

PAID ADVERTISING

Paid advertising is any kind of advertising that you have to pay for. It includes paying for search engine prioritization, pay-per-click through other websites, banner ads, and paid content distribution. One can pay to display his company content online or for your ad to be shown in search results.

Whenever we search google or any other website or we are browsing any content then we can see related ads in the ads web space. These ads are nothing but the paid ads. Number of company provides paid ads services are Google, Facebook, and LinkedIn etc.

FIGURE 8: PAID ADVERTISING OF askmebazaar.com



Source: Creation from www.priceprice.com

If a user search for MI mobiles then paid ads comes up of askmebazaar.com, here ad provider identified the content which user search then posted the relevant advertise in ads web space.

EMAIL

Email marketing is direct marketing technique use to target a group of people. In its broadest sense, every email sent to a potential or current customer could be considered as email marketing. Now days number of email marketing software's are available in the market. This gives more insight about the email campaigns like number people open email, not open etc. All these efforts help marketers in positioning their market offerings.

FIGURE 9: EMAIL MARKETING BY SBI

- Apply for SBI Platinum Credit Card & get exclusive offers

Experience Life in True Platinum with
SBI Platinum Credit Card.

Exclusive Benefits:

- Joining Gift: **Apparel/Travel Vouchers worth Rs.3,000**
- 5X Reward Points** on Dining, Departmental and International Spends
- Bonus Spend Rewards** on achieving Annual Spends of Rs.4 Lakhs and Rs.5 Lakhs
- Card Anniversary Gift Voucher worth Rs.3,000**
- Complimentary lounge access** to Visa Lounges in India

Special Offer:

Apply before 31st May, 2016 & get a complimentary e-code for exclusive offers* on Yatra Mobile App:

Rs.1000 off on round trip international flights; **Rs.400 off** on round trip domestic flights;
20% off on Domestic Hotel Bookings & Domestic Bus Bookings

Hurry Up! Offer valid through 10th April to 31st May'16 or till stock exists.

APPLY NOW

[Click here](#) to check the Yatra Mobile App offer details and the terms & conditions.



* Terms & Conditions apply. For details, log onto sbicard.com

"SBI Card" is a registered logo/trademark of SBICPSL. You may call SBI Card helpline for any additional clarifications or for any other issues with reg. computer generated email and reply to this email id is not monitored.

Source: An Email in Email box

FINDINGS

Various industries like Banking, Ecommerce, Electronics and Game are implementing different E-marketing techniques for marketing their products.

Author has taken examples of Luxifier, Flipkart, Amazon India, Ingibeam, LG India, askmebazaar.com, SBI in the discussion section. And find out that every company is targeting different segments of their targeted audience by implementing suitable e-marketing technique.

CONCLUSIONS

Main reason for growing effectiveness of internet marketing is the increasing awareness about internet among people. For sustaining in today's competitive business environment marketer need to understand consumer behavior and depending up on their business should adapt suitable e-marketing methodology. Every methodology has its own way of success with respect to offerings & target audience. By understanding effective methodology and with efficient implementation marketers will get more success rate.

REFERENCES

PAPERS

- Bell, H., & Tang, N. K. H. (1998). "The effectiveness of commercial Internet websites: a user's perspective." *Internet Research: Electronic Networking Applications and Policy*, 8(3), 219–228.
- Gonzalez, F. J. M., & Palacios, T. M. B. (2004). "Quantitative evaluation of commercial websites: an empirical study of Spanish firms." *International Journal of Information Management*, 24(4), 313–328.
- Goodwin, Danny (2012): Organic vs. Paid Search Results: Organic Wins 94% of Time, Viewed on 16 May 2016, <https://searchenginewatch.com/sew/news/2200730/organic-vs-paid-search-results-organic-wins-94-of-time>
- "IAB Internet Advertising Revenue Report," October 2007, Available: http://www.iab.net/media/file/IAB_PwC_2007Q2.pdf [Accessed on 16th May 2016]
- Kim, S. E., Shaw, T., & Schneider, H. (2003). "Web site design benchmarking within industry groups." *Internet Research*, 13(1), 17–26.
- Korgaonkar, P. and Karson, E. (2007), "The Influence of Perceived Product Risk on Consumers' E- Tailer Shopping Preferences." *Journal of Business and Psychology*, Vol. 22, No.1, pp. 55-64.

7. Srinivasan R., Jollyvinisheeba J. (2013). "Essential and Strategies of E-marketing." *International Journal of Scientific Research & Management*, 251-255, 2013
8. Teo, T. S. H., & Yu, Y. (2004). "Online buying behavior: a transaction cost economics perspective." *Omega*, 33, 451-465.
9. Teo, T. S. H., Lim, V. K. G., & Lai, R. Y. C. (1999). "Intrinsic and extrinsic motivation in Internet usage." *Omega*, 27, 25-37.

BOOKS

10. Chaffey, D., Ellis-Chadwick, F., Johnston, K. and Mayer, R. 2006. *Internet Marketing: Strategy, Implementation and Practice*. Pearson publication
11. Kaye, Barbara K. and Medoff, Norman J., (2001), *Just A Click Away: Advertising on the Internet*. Allyn and Bacon publishing, Massachusetts

WEBSITE

12. <http://ijrcm.org.in>

A STUDY ON ROLE OF HUMAN RESOURCE POST ACQUISITION: A CASE STUDY OF SUN PHARMACEUTICALS AND RANBAXY LABORATORIES

DR. VAISHALI SHARMA
PROFESSOR
FACULTY OF MANAGEMENT
JAGANNATH UNIVERSITY
JAIPUR

NEHA MAREJA
RESEARCH SCHOLAR
FACULTY OF MANAGEMENT
JAGANNATH UNIVERSITY
JAIPUR

ABSTRACT

To keep head high in globalized economy one has to follow the path of growth and merger and acquisition is the primary growth and expansion strategy of present corporate world. But whenever a merger or any acquisition is announced in any sector of economy the first question comes to mind- is how much is the financial gain. There is no or little argument on the impact on the employees and relevant human resources related practices and issues. Companies do pay considerable attention to financial and strategic issues during merger and acquisition, but they frequently neglect human resource issues. In this study we have taken pharmaceutical sector of economy in which we consider a case of sun pharmaceuticals industries limited and Ranbaxy laboratories. In this case the role of HR is not favorable for Ranbaxy employees. The role of HR professionals is very important from the day one of merger and acquisition announced, but organizations had not given a seat to HR professionals on the table of merger process. Because of that 65% mergers and acquisitions are failed. It was therefore concluded that an organization must involve HR professionals in all phases of merger and acquisition. This research is a brief attempt to analyze the role of human resource in post-acquisition phase. This study is descriptive in nature. Secondary source of data and information has been used in this study. The scope of study is limited because study is based on secondary data. As per the requirement of the research data are taken from websites of companies, literature reviews, online documents and from journals. This research paper will be helpful for employers, employees, HR people, researchers and scholars.*

KEYWORDS

mergers and acquisitions, human resource, pharmaceutical sector, role of human resource.

INTRODUCTION

Today's business world is just like a global village, therefore external changes are the main requirement to maintain and improve the position of the business and it can be possible through mergers, acquisitions, amalgamations and takeovers activities. During the last decade, acquisitions have an increasing trend in pharmaceutical companies mainly due to high competition in this sector. Acquisition had four phases i.e. Pre-merger and acquisition phase, due diligence, integration and post-merger and acquisition phase. In this article we consider the post-acquisition phase which is the final and most crucial part of merger and acquisition. It can take months or sometimes even years based on organization size, geographical locations and the complexity in the agreement.

There are large number of companies worldwide that believe in the philosophy of "growing through acquiring" but the success rate of these M & As* is estimated to be mere 30-40%. Companies do announce that their mergers have been successful but they also accept they have not been able to earn expected benefits. Statistics shows that one of the major reasons behind failure of Merger & Acquisition is the human resource aspect. People issue is one of the most sensitive but often ignored issue in M & A scenario. When a decision is taken to merge or acquire, a company analyses the feasibility on the business, financial and legal fronts but fails to realize the importance attached to the human resources of the firms involved. Organizations fail to realize that people have the capability to make or break the alliance. Therefore, it is important for organizations on the verge of integration to analyze the feasibility of the integration on the human resource front. This is the responsibility of HR department to take care of the human resources in the merged entity in the post-acquisition phase.

*M&As- Merger and Acquisitions

CONCEPTUAL FRAMEWORK OF ACQUISITION

Acquisition in general sense is acquiring ownership in the property. It is the purchase by one company of controlling interest in share capital of another existing company. There are two types of acquisition i.e. friendly and hostile. In friendly acquisition the targeted firms want to be acquired willingly by another company and in hostile acquisition it allows bidder to take over the target company whose management is unwilling to agree to an acquisition

COMPANY PROFILE AND ACQUISITION MOVEMENTS

In this study we consider a case of Sun Pharmaceutical and Ranbaxy Laboratories which is hostile acquisition. Sun Pharmaceutical was established by Mr. Dilip Shanghvi in 1983 in VAPI. It is a multinational pharmaceutical company headquartered in Mumbai (Maharashtra, India). Sun Pharma had made nearly 20 acquisitions since its inception in 1983. It is a Pharma research company and drug discover company. Sun pharma has its own research center which is named as Sun Pharma Advanced Research Company Limited (SPARCL). It is formed in 2007 for research and innovation. Sun pharma mainly focus on research and development to enhance the productivity of new generic and differentiated drugs for global market.

Ranbaxy was started by Ranbir Singh and Gurbax Singh in 1937 as a distributor for a Japanese company Shinogi. The name Ranbaxy is a portmanteau of the names of its first owners Ranbir and Gurbax. It is a multinational pharmaceutical company that was incorporated in India in 1961. The company went to public in 1973 but its big moment came in 1998 when it enters the united states the world's largest pharmaceutical market. Ranbaxy was the first foreign generic manufacturer to sell drugs in the US. In 2008 Daiichi Sankyo takeover the company from the Singh family by acquiring 63.92% stake in Ranbaxy in a deal worth \$4.6 billion.

In 2011 when Ranbaxy was struggling to improve its financial position then Daiichi Sankyo decided to sale the company because it had incurred a net loss and suffered a decline in net worth. It results in diminution in its value of its investments. On April 7, 2014 Sun pharmaceuticals and Daiichi Sankyo jointly announced the sale of entire 63.4 % share to Sun pharma in a \$4 billion all share deal. In this deal Sun pharma agreed to pay their assuming \$800 million debt which is include in sale amount i.e. \$3.2 billion in stock and \$800 million debt. The swap ratio of the deal is 8:10 i.e. every shareholder of Ranbaxy to get eight shares of Sun Pharma in against ten shares of Ranbaxy.

>150 markets served	45 manufacturing sites	>30000 employees worldwide	>3000 marketed products
---------------------	------------------------	----------------------------	-------------------------

REVIEW OF LITERATURE

There are many roles of HR which have been considered as significant factor in managing merged entity effectively. Communication and transparency is an unavoidable factor to deal with the individual employee reactions to the merger.

According to Pablo Maran and Christine Pan Asian (2005) there is strategic literature on human resource role in merger and acquisition, the findings are that organizational and human resource issues have not receives in practice the level of attention that they should receive.

Kaydian Robinson Brown (2015) studied the impact of merger and acquisition on employee performance. They recommend some of the HR decisions in which the employee should take part. Kaydian said there are few areas of concerns like unity among employees, trust in leadership, communication etc. are few changes which impact employees. Kaydian gives recommendation like implement penalties on managers who do not recognize employees for work done, be transparent, effective communication. Host training sessions for employees to handle the change.

Uday Bhaskar (2012) examine that human resource as business partner when merger and acquisition takes place. Uday bhaskar finds that to make merger and acquisition successful an organization have to involve HR professionals in pre-acquisition phase and integration stage. He finds that after the merger cultural differences and organizational culture is a major challenge for HR.

Bhupesh Malhotra (2013) examined the HR practices in IT industry during merger and acquisition. He finds that employees are sometimes found them good enough or they waited on to see how things shape up and he also find that 20% of the work force of the acquired company resigns even before the integration activities are completed.

Linda S. Johnson (2000) discusses the critical human resource issue that should be considered during the phases of merger and acquisition. She stressed on careful planning and early involvement of HR professionals in this process. She finds that by satisfying the employees in work HR professionals helps the organization towards maximizing the potential for success.

Rita Salame (2006) stressed on why do mergers fail what can be done to improve the chances of success. She examined that 60% to 80% mergers are financial failures when measured by their ability. Many studies are pointing to the neglecting of HR issues as the main reason for merger and acquisition failures. She finds that senior executives must realize the importance of HR issues in the success or failure of mergers, they are not doing enough to encourage the involvement of HR teams and employees in merger and acquisition process.

Craig W. Fountaine (2007) studied the role of HRM in merger and acquisition. He evaluates that 65% of mergers and acquisitions that fail because of people issues, cultural issues and communication issues. This is because of HR has no seat on the table of merger process. He finds that there should be best practices checklist for HR professionals while involved on mergers and acquisitions- Leadership, Transition team, Structure and all along communication at all levels are key elements.

Teresa A. Daniel and J.D (2010) focuses on the management of human resources in the process of merger and acquisition. It describes the typical phases of an M&A and HR's role during different phases of the M&A process. The findings of this study are incompatible culture, management styles, poor motivation, loss of key talent, lack of communication, diminished trust and uncertainty of long term goals are some of the reasons of non-participation of employees in merged entity.

RESEARCH DESIGN

The research design of this study is descriptive in nature. In this study the case of Sun pharmaceutical and Ranbaxy laboratories have been taken for research. This study includes employees from top level and middle level. This is a qualitative research and the data is collected through secondary information from websites of companies, journals, online documents and through literature reviews. It concentrates on how HR professionals can handle all the complexities of employees during post-acquisition stage.

DISCUSSION

When acquisition takes place in any sector, the most affected person is employees of the organization. The employees might have many questions in their mind basically about their job security, compensation pattern, designation, job profile etc. This study relates to role of human resource in post acquisition stage.

In India pharmaceuticals acquisitions have been viewed as forced marriages in which the employees are absorbed. In this acquisition case the Ranbaxy top level executive had quit the company because of the salary structure, designation and culture. According to *Economic Times Sept 2015*, the company resources said that nearly 2800 employees had quit the job when the deal was announced. After the completion of deal, the new leadership team was made which mostly comprised of senior executives from Sun Pharma because of that step of sun pharma HR department nearly 150 top executives including vice president had quit the company due to designation of job and uncertainty of role and responsibilities in a merged entity. The problem of senior Ranbaxy executives became acute when Sun Pharma filled all crucial slots in merged organization with their own people. One single top executive was retained with the company whose name was Subodh Deshmukh, who handles over the counter business.

Sun pharma had asked to 18 top executives of Ranbaxy to leave the firm. Some of them are Indergit Banerjee-president and CFO, Yugal sikri- country head of India, Maninder Singh- VP Marketing, Govind Jaju- global head and Rahul Bhaduri- Director of finance. The executives had been given a severance package and a freedom to exercise their stock options before leaving and sun pharma gave four months' notice to these employees to look for a new job.

Some of the staff member of Ranbaxy had said that there is no certainty of role and responsibility and this creates a fear of decline in status or career prospects and feelings of being shunted in their mind.

After the deal was complete Sun pharma appointed HR manager Mr. Yashwant Mahadik to handle 30000 employees of merged entity. He had over 25 years of experience. But his attitude was not positive towards Ranbaxy executives. Their decisions are not in the favor of Ranbaxy employees. The new HR team gave all crucial roles and responsibilities to Sun Pharma executives which was considered very unfair by Ranbaxy executives. When the top executives had left the company, it also affects the morale of juniors.

According to the company sources there was big difference in cultures of two companies. The merged entity had 6 days working but in Ranbaxy there was 5 days working in a week. According to *Ramesh Edige the former employee of Ranbaxy*, Sun pharma indirectly gave an appropriate and gentle message to Ranbaxy team is to prepare for adjustments may be ready to take a hair cut in the salary and join at one level below or look for a job outside

The above discussion clearly points out that in the acquisition process the most affected is the human resources of acquired company. Their roles, rewards, recognition, job profile etc. all are affected to a great extent leading to increased stress level in their minds and DE-motivating them.

On the basis of extensive literature review, the post-acquisition phase include various aspects faced by employees -

- Corporate culture
- Existing value systems
- Staff qualifications
- Stress management
- Salary
- Technology
- HR policy
- Leadership styles
- Core competencies
- Post integration

- Allocation of responsibility
- Language barriers and country specific cultural differences

These are the issues which generally pop up in the mind of employees when they come to know about the acquisition of company.

RECOMMENDATIONS

It is very important to involve HR professionals in merger and acquisitions as it involves people and has an impact on key people issues. HR professionals play an active role in the change process by offering their interventions to help ensure a successful merger and acquisition. To stop the kind of mass quitting that happened in Sun Pharma – Ranbaxy merger, management has to take following important steps:

- Firstly, to identify the key resources in both the organizations (key resources does not necessarily mean the top people in the management cadres, but those who have a following in the company as knowledgeable and trustworthy employees).
- Secondly, proper communication with the employees should be there so that they should not feel that they have been kept in dark. Communication channel should be open in all directions once the decision is taken on an acquisition. Involve employees in the decision making regarding changes that greatly affect them and projects
- Thirdly, host training sessions, workshops, seminars, and socials to get employees familiar with and make employees feel like a part of the change that is about to take place.
- Lastly hold senior managers accountable for getting employees involved and for team engagement. And this is the major challenge for HR to retain the top executives.

The major challenge for the HR department of the organization is to retain the talented person. One important point had been noted by literature reviews that it is the most talented resources of the organization that leave it first. Therefore, prompt and timely action is essential on part of the HR department. A wait and watch attitude can only destroy or spell doom as the employees wouldn't think on similar lines. They have their career at stake and they wouldn't want to take risks on that front.

For HR professionals, mergers and acquisitions are particularly challenging as they are expected to be agents of change rallying employees and keeping them focused on the right behaviors and activities. They need every tool possible to bring clarity and stability to the situation, so the employees can remain focused on their jobs.

So from all these we can say that there should be proper planning of human resources for merged entity, this must be done through talent mapping process. HR professionals must assess their existing skills and identify those required for future. There are three steps for talent mapping process first, conceptualize your talent strategy, secondly, assess and select from the talent you have on hand and lastly, develop talent mapping methods and implement these. As we know that in large organizations it's not enough to simply fill roles for today, it's about attracting, retaining and engaging the right talent who will tackle work force challenge for the next five to ten years.

This is responsibility of HR managers to take up the fair approach for acquired company employees by providing them proper information, channel of communication, dignity and respect, retaining the top talent, helps the employees coping with changes and new culture. If the management decides to downsize the work force, they had to convey a message well in advance to the employees. All these initiatives should ensure a company involved in a merger and acquisition to make it a successful integration.

Best practices to be followed by HR

- Identify leaders from both the companies
- Train managers on the nature of change
- Explain new roles to the people
- Orientation programs on new policies and procedures
- Orientation programs on performance management, compensation and benefits.
- Identify the skills of people and mapping them appropriately.

These are some of the HR practices to be used by the HR department so that the percentage of success of merger and acquisition would be increased.

CONCLUSION

Merger and acquisition are common in today's global market place. This is considered to be the most opted strategy for expansion. It is a way for companies to create synergistic effect and provide sustainable competitive advantage but simultaneously these sorts of corporate mergers have the potential to create severe personal trauma and stress which can result in psychological, behavioral, health, performance and survival problems for both the individual and companies. Most of these functions are handled by HR department of the organization. The most complicated stage of merger is post acquisition stage. To manage this stage is a difficult and complex task. It comes along with long lists of activities and tasks that have to be fulfilled within a short time and partly with incomplete information's. There are many opportunities and many decisions to take. In this stage HR can play a vital role in employees coping up with change and culture, organizational hierarchy, right job to right person, alignment of compensation benefits and welfare services etc. In the case of Sun Pharma and Ranbaxy, the HR department seems to be unfair to Ranbaxy employees and that may be one of the reasons for half of the workforce to quit the company. It can also be considered as loss of Sun Pharma in terms of losing top talent of Ranbaxy. The scope of study is limited because of the research based on the secondary data. This study may be helpful to employees, research scholars, employers and HR people.

REFERENCES

1. Pablo Maran and Christine Panasian, 2005, "The Human Side of Merger and Acquisition: A look at the evidence"
2. Rita Salame, London School of Economics UK, 2006, "why do mergers fail? What can be done to improve their chances of success?"
3. Craig W. Fountaine, North eastern University UK, 2007, "Mergers and Acquisitions: Understanding the role of HRM"
4. Kaydian Robinson Brown, 2015, "The Impact of Merger and Acquisition on Employee Performance"
5. Teresa A. Daniel, J.D., 2010, "Managing Human Resources in Mergers and Acquisitions"
6. Uday bhaskar, 2012, "Human resource as business partner during mergers and acquisitions"
7. Linda Johnson, July 2000, "The Human Resource Perspective in Merger and Acquisition"
8. Bhupesh Malhotra and Vandana Sharma, June 2013, "impact of mergers and acquisitions on human resource practices in IT industry"
9. Nishith Desai Associate, Dec 2014, "Sun Pharma-Ranbaxy- A Panacea for Ranbaxy ills"

EMPIRICAL ANALYSIS ON SELECTED PUBLIC & PRIVATE SECTOR BANKS WITH CAMEL APPROACH

A. SAMBARAJU**STUDENT****SCHOOL OF MANAGEMENT****NATIONAL INSTITUTE OF TECHNOLOGY****WARANGAL****DURGAPRASAD NAVULLA****RESEARCH SCHOLAR****SCHOOL OF MANAGEMENT****NATIONAL INSTITUTE OF TECHNOLOGY****WARANGAL****DR. G. SUNITHA****ASST. PROFESSOR****SCHOOL OF MANAGEMENT****NATIONAL INSTITUTE OF TECHNOLOGY****WARANGAL****ABSTRACT**

The economy growth of a country depends on operational efficiency and proper utilization of resources in various sectors. Out of many industries banking sector plays a vital role in the growth of our economy. Banking sector helps in facilitating monetary policy by stimulating capital formation, monetization and innovation. It is imperative to ensure financial health and efficiency of economy through analysis and evaluating the performance of banks. This study tries to evaluate the performance of three public sector banks and three private sector banks in India using CAMEL model which is a latest model of financial analysis. The study carried for a five-year period from 2011-2015.

KEYWORDS

performance, public sector, private sector, economy, capital formation.

INTRODUCTION

The major measure of financial growth and economic development of a country has been the soundness of its banking sector. The soundness is the synonymous with productivity, efficiency, probability, stability and shock free environment. Hence, it is important to measure the soundness of banking sector in the country. The performance of banks is measured by using financial ratios under the criteria as profits, asset quality, liquidity, attitude towards risk and management strategies are considered. In 1980s, USA's federal regulators developed the CAMEL rating system to analyze the performance of banking system. Each banking institute subject to evaluated on basis of five critical dimensions related to its performance and operations, which are referred as component factors. Those are Capital adequacy, Asset quality, Management efficiency, Earnings quality and liquidity used to reflect the financial condition, financial performance, regulatory compliance and operating soundness of the banking institution. Every component is rated on a scale of 1(best) to 5(worst). A composite ranking is assigned to component and it is taken as the prime indicator to bank's current financial condition.

LITERATURE REVIEW

Malihe Rostami (2015) has mentioned about CAMEL Approach in her article. CAMEL Model is very useful tool to evaluate the performance of the banks. It gives accurate and effective result regarding performance of the banking sector. As per his article he took some of the important ratios for analysis purpose. It can compare one organization with the other organizations for its effective performance internally and externally.

Dr. P. Nirajan Reddy & Rekha Rao Subraveti (2015) gave their explanation in their paper regarding CAMEL approach. To strengthen the financial system and economy we have to carefully evaluate and analyze the performance of the banks. CAMEL approach is a tool which is helpful to evaluate the performance of the banks. It is a most popular method for measuring the performance of the banks. It consists various ratios which show reality of its performance.

Fentje Salhuteru & Fransina Wattimena (2015) mentioned the importance and influence of CAMEL ratios towards earnings and management practices in the State Bank to other banks in Indonesia. They explained about the companies that can be improved its performance by applying various risk management techniques for consistent profit growth. Through CAMEL ratios the company can know its actual performance accurately.

Parvesh Kumar Aspal & Sanjeev Dhawan (2014) explained about importance of banking sector in the economy. They took 13 old private sector banks and the CAMEL model is applied on the secondary data related to various ratios from annual reports of those banks in the period of 2007-2012. This is tool is very effective to measure the exact performance of the banks.

Mishra Aswini Kumar, G. Sri Harsha, ShiviAnand and Neil Rajesh Dhruva (2012) has analyzed the performance of banks with the help of CAMEL model by selecting 12 private and public sector banks over a period of 11 years from 2000 to 2011. The study has been found that the private sector banks are stood at top position in the ranking system by showing good performance in terms of liquidity, profitability, stability and efficiency. The public sector banks like SBI, PNB has positioned backseat by showing poor economic soundness in comparison.

Dr. K. Sri Harsha Reddy (2012) has stated the importance and nature of banking sector in the economy in capital formation, the banking sector has more weightage in a country's economy than any other sector. The CAMEL model is used in this study to analyze the performance of banks.

From the above literature reviews we can say that CAMEL model is very helpful to measure the performance of the bank. It must be applied periodically to evaluate the position of the banks in their performance. Based on this model we can give suggestion to improve the performance of the banks.

OBJECTIVE OF THE STUDY

The main objective of the study is to analyze the performance of selected banks, out of which top three private sector banks, top three private sector banks through CAMEL model and give suggestion for improvement if necessary.

METHODOLOGY ADOPTED

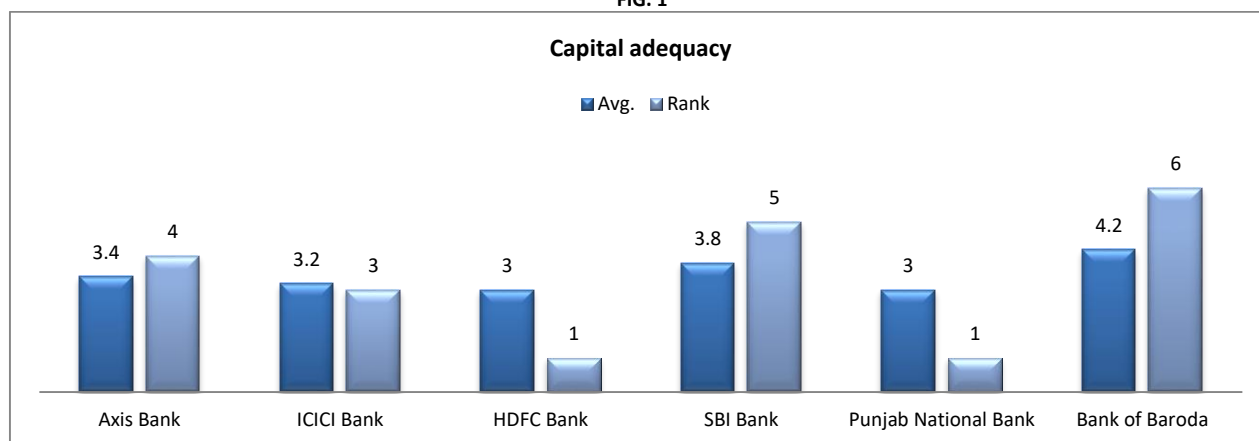
- To achieve objective of the study, empirical analysis is done by selecting six banks. Private Sector Banks –ICICI Bank, HDFC Bank, AXIS Bank, Public Sector Banks – State Bank of India, Bank of Baroda, Punjab National Bank.
- The period for evaluating performance through CAMELS in this study is five years, i.e. from financial year 2010-11 to 2014-15. The data is collected from various sources as follows.

DATA COLLECTION

Data collected from the Bank's Balance Sheets, Profit & Loss statements, journals, bank's prospectus, bank's annual reports, capital line databases and money control websites and also by taking personal visit to the employees of respective banks.

ANALYSIS AND INTERPRETATION**1. CAPITAL ADEQUACY****TABLE 1**

		Axis Bank	ICICI Bank	HDFC Bank	SBI Bank	Punjab National Bank	Bank of Baroda
Capital Adequacy Ratio	Avg.	14.89	18.30	16.48	12.74	12.55	13.47
	Rank	3	1	2	5	6	4
Debt to equity ratio	Avg.	8.30	4.35	8.07	12.60	13.78	14.93
	Rank	3	1	2	4	5	6
Interest coverage ratio	Avg.	5.02	4.90	4.75	4.93	5.25	4.50
	Rank	2	4	5	3	1	6
Advances to assets ratio	Avg.	59.98	49.69	60.50	63.51	63.98	60.27
	Rank	5	6	3	2	1	4
Govt. Securities to Total Investment	Avg.	62.35	35.02	76.80	54.57	79.09	79.93
	Rank	4	6	3	5	2	1
Group	Avg.	3.4	3.2	3.0	3.8	3.0	4.2
	Rank	4	3	1.5	5	1.5	6

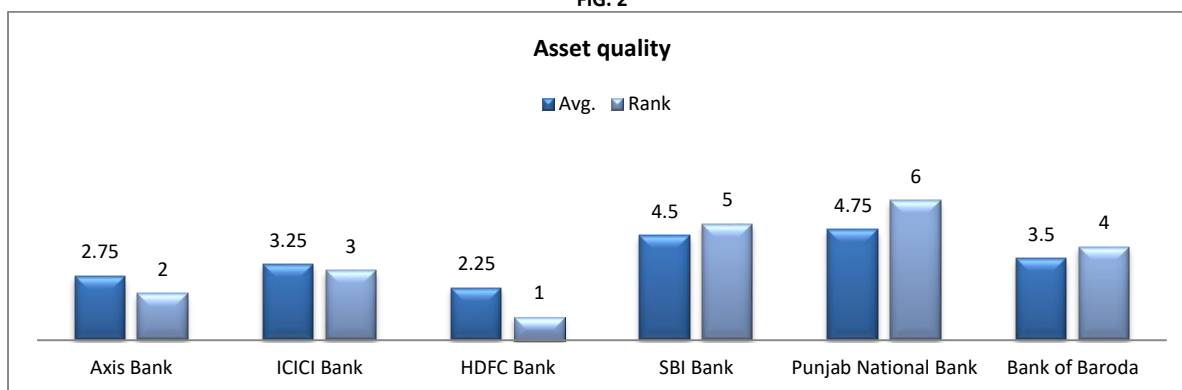
FIG. 1**INTERPRETATION**

It is also called Capital to Risk Assets Ratio or Ratio of bank's capital to its risk. Bank's CAR can be tracked by national regulators to ensure that it can absorb a reasonable amount of loss and complies with statutory capital requirements. It is used to protect the depositors as well as promote the stability and efficiency of financial system. Two types of capital are measured: tier one capital, which can absorb losses without a bank being required to cease trading, and tier two capital, which can absorb losses in the event of a winding-up and so provides a lesser degree of protection to depositors. From the above table we can say that group averages of five sub-parameters of capital adequacy ratios HDFC and Punjab national bank are at the top position with group average of 3.00 and secured high rank, followed by ICICI Bank (3.32) and Axis bank (3.40), SBI (3.80) and Bank of Baroda (4.20) stood at the last position and score least rank due to its poor performance.

2. ASSET QUALITY**TABLE 2**

		Axis Bank	ICICI Bank	HDFC Bank	SBI Bank	Punjab National Bank	Bank of Baroda
Nat NPA to Net Advances	Avg.	0.36	1.03	0.21	2.04	2.33	1.11
	Rank	2	3	1	5	6	4
Net NPA to Total Assets	Avg.	0.22	0.45	0.12	0.98	1.41	0.64
	Rank	2	3	1	5	6	4
Total Investments to Total Assets	Avg.	30.64	38.19	26.32	24.94	25.90	19.48
	Rank	5	6	4	2	3	1
Standard Advance to Total Advances	Avg.	69.83	70.64	55.47	37.09	43.67	42.09
	Rank	2	1	3	6	4	5
Group	Avg.	2.75	3.25	2.25	4.5	4.75	3.50
	Rank	2	3	1	5	6	4

FIG. 2

**INTERPRETATION**

An asset quality rating is a review or evaluation assessing the Credit risk associated with a particular asset. It is high loan concentrations that portray undue risk to Credit union.

The Investment policies and practices should be appropriate:

- The investment risk factors compared to earnings and capital structure and
- The market value of investments vs. book value of investments.

The quality of all major assets must be considered in the rating. This includes Investments, loans; other real estate owned that could adversely impact a Credit union's financial condition.

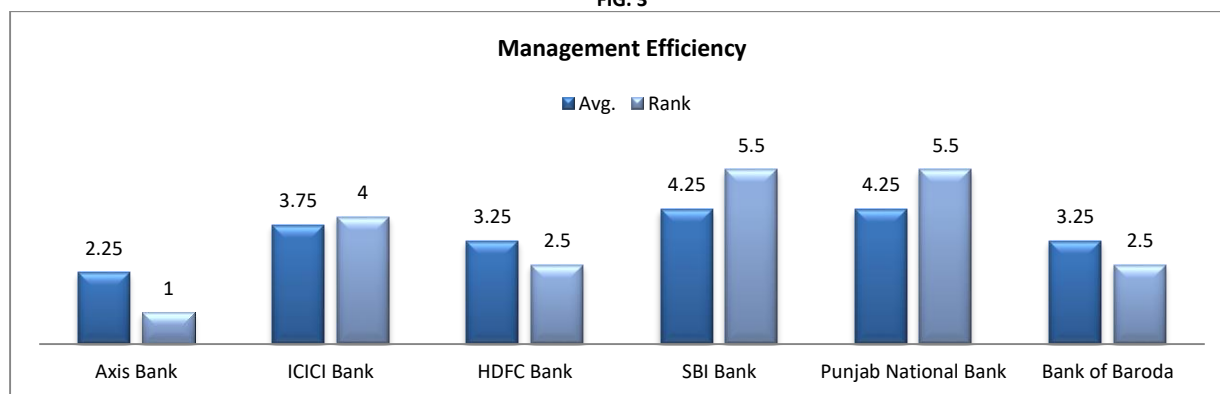
From the above analysis the group averages of sub-parameters of assets quality HDFC Bank has got top position with 2.25, followed by Axis Bank with 2.75, ICICI Bank 3.25, Bank of Baroda 3.50, SBI 4.50 and Punjab National Bank got 4.75 positioned last in terms of assets quality.

3. MANAGEMENT EFFICIENCY

TABLE 3

		Axis Bank	ICICI Bank	HDFC Bank	SBI Bank	Punjab National Bank	Bank of Baroda
Business per Employee(cr)	Avg.	12.93	7.51	7.91	9.49	11.83	16.27
	Rank	2	6	5	4	3	1
Profit per employee	Avg.	0.15	0.13	0.09	0.05	0.06	0.10
	Rank	1	2	4	6	5	3
Credit deposit ratio	Avg.	78.64	99.07	79.52	83.70	77.29	71.87
	Rank	4	1	3	2	5	6
Return of net worth	Avg.	18.66	12.50	19.28	12.88	16.09	18.30
	Rank	2	6	1	5	4	3
group	Avg.	2.25	3.75	3.25	4.25	4.25	3.25
	Rank	1	4	2.5	5.5	5.5	2.5

FIG. 3

**INTERPRETATION**

Management Efficiency is the major indicator of condition and a key determinant of whether a Credit union possesses the ability to diagnose financial stress. The management efficiency assessment is not solely depending on the Current financial condition and will not be an average of the other component ratings.

The management rating is based on ability to measure, identify, control and monitor the risks of the all activities, ensure its safe operations and compliance with applicable laws and regulations. A management practice addresses some of the following risks: liquidity, Credit, interest rate, transaction, strategic, compliance, reputation, and other risks.

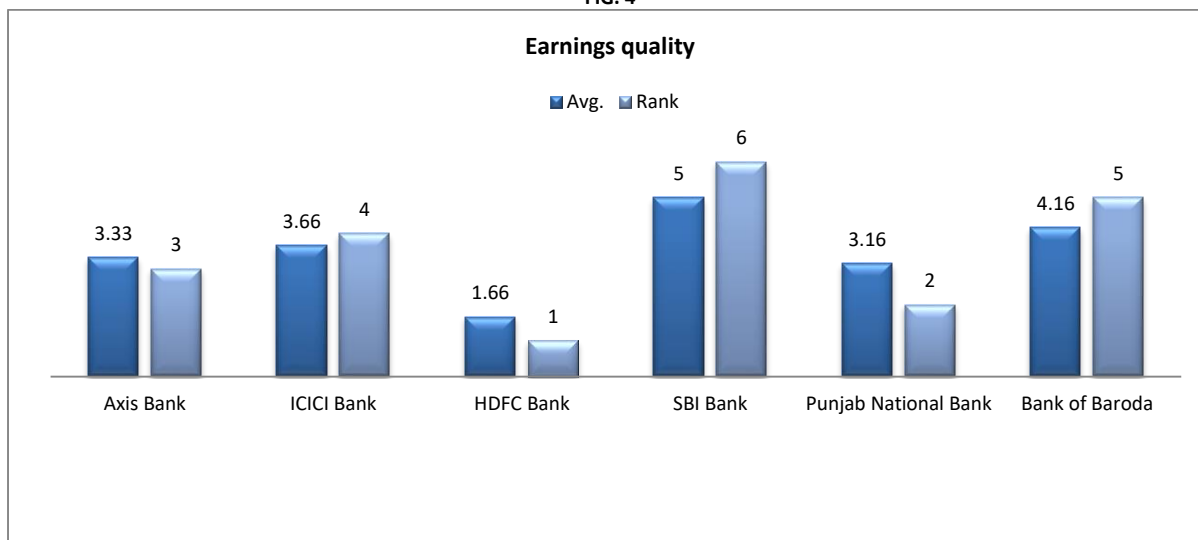
On the basis of group averages of 4 sub-parameters of Management Quality, Axis Bank is at the top position with group average of 2.25, followed by Bank of Baroda (3.25), HDFC Bank (3.25), ICICI Bank (3.75) and SBI (4.25), Punjab national bank(4.25) were at the last position due to its poor performance.

4. EARNINGS QUALITY

TABLE 4

		Axis Bank	ICICI Bank	HDFC Bank	SBI Bank	Punjab National Bank	Bank of Baroda
Return on assets	Avg.	1.73	1.63	1.85	0.77	0.94	0.94
	Rank	2	3	1	6	4.5	4.5
Operating profits to total assets	Avg.	3.15	2.75	3.28	2.05	2.37	1.88
	Rank	2	3	1	5	4	6
Interest income to total income	Avg.	79.27	57.88	83.01	81.59	89.65	88.29
	Rank	6	5	3	4	1	2
Group	Avg.	3.33	3.66	1.66	5	3.16	4.16
	Rank	3	4	1	6	2	5

FIG. 4

**INTERPRETATION**

The viability of a Credit union depends on returns on its assets, remain competitive, and increase capital. In evaluating earnings, it is not enough to review present and past performance alone. Future performance is of greater value, including performance under various economic conditions. Evaluating "core" earnings: the long-run earnings ability and the interrelationships with other risk areas such as Credit and interest rate. Key factors to consider when assessing the Credit union's earnings are: growth trends, stability of earnings, return on assets, Quality and composition of earnings, Adequacy of budgeting systems, Future earnings under a variety of economic conditions, Net non-operating income and losses.

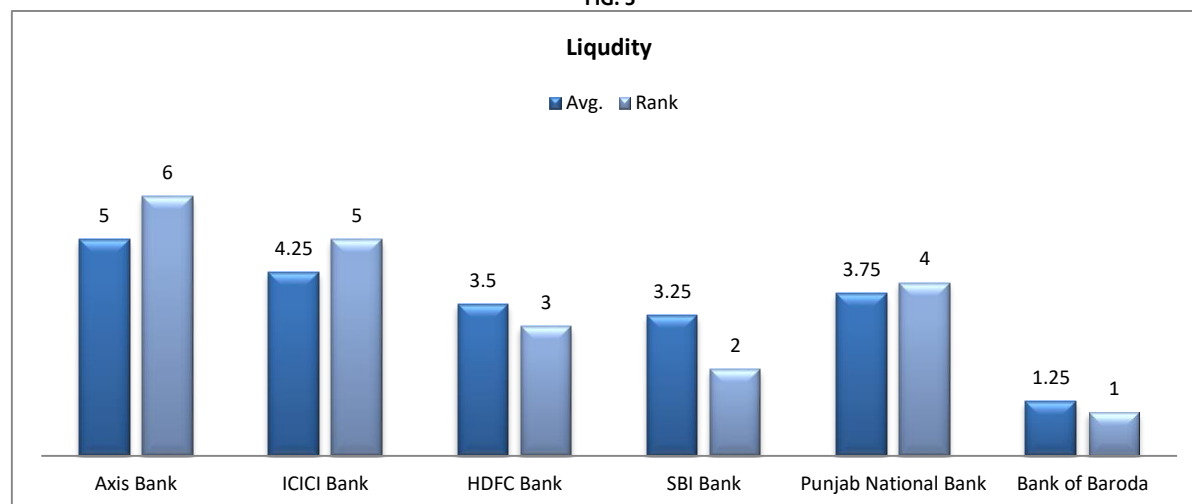
On the basis of group averages of 3 sub-parameters of Earnings Quality, HDFC Bank (1.66) is at the top followed by Punjab National Bank(3.16), Axis Bank(3.33), ICICI Bank(3.66), Bank of Baroda(4.16) and SBI(5.00) is at the last position due to poor performance.

5. LIQUIDITY

TABLE 5

		Axis Bank	ICICI Bank	HDFC Bank	SBI Bank	Punjab National Bank	Bank of Baroda
Liquid assets to total assets	Avg.	6.97	7.43	7.57	8.11	7.47	16.89
	Rank	6	5	3	2	4	1
Govt. securities to total assets	Avg.	19.12	13.15	20.21	13.43	15.60	20.48
	Rank	3	6	2	5	4	1
Liquid assets to total deposits	Avg.	9.39	13.52	10.14	10.51	9.03	19.64
	Rank	5	2	4	3	6	1
Liquid assets to demand deposits	Avg.	51.44	99.04	55.17	110.33	244.28	122.56
	Rank	6	4	5	3	1	2
Group	Avg.	5.0	4.25	3.5	3.25	3.75	1.25
	Rank	6	5	3	2	4	1

FIG. 5

**INTERPRETATION**

Liquidity is also referred as Asset/liability management (ALM), which is the process of evaluating, controlling and monitoring balance sheet risk (interest rate risk and liquidity risk). A sound ALM process integrates profitability, strategic, and net worth planning with risk management. It reviews

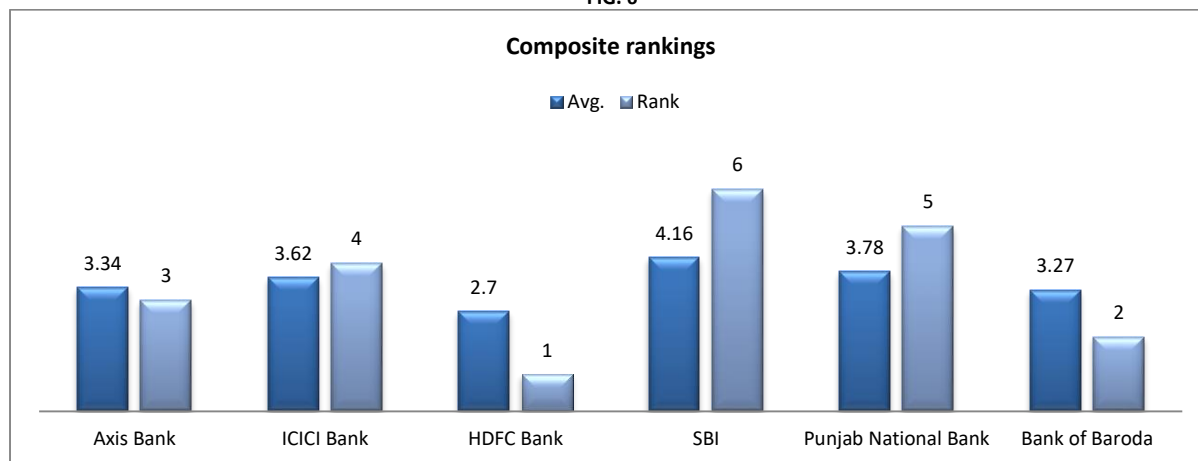
1. Interest rate risk sensitivity and exposure.
2. Depends on volatile sources of funds.
3. Availability of Current assets.
4. Technical competence relative to ALM, including the management of cash flow, liquidity and interest rate risk. ALM includes liquidity risks, interest rate risks, reputation and strategic risks.

On the basis of group averages of 4 sub-parameters of Liquidity, Bank of Baroda (1.25) is at the top followed by SBI Bank (3.25), HDFC Bank(3.50), Punjab national bank(3.75), ICICI Bank(4.25) and Axis Bank is at the last position.

TABLE 6: COMPOSITE RANKING (OVERALL PERFORMANCE):

Bank	C	A	M	E	L	Avg.	Rank
Axis Bank	3.40	2.75	2.25	3.33	5.00	3.34	3
ICICI Bank	3.20	3.25	3.75	3.66	4.25	3.62	4
HDFC Bank	3.00	2.25	3.25	1.66	3.50	2.70	1
SBI	3.80	4.50	4.25	5.00	3.25	4.16	6
PNB	3.00	4.75	4.25	3.16	3.75	3.78	5
Bank of Baroda	4.20	3.50	3.25	4.16	1.25	3.27	2

FIG. 6



In order to assess the overall performance of top banks in India, the composite rating has been calculated from the group ranking of the public and private sector banks in India for the period of 2011-2015 and results are presented in the above table. On the basis of CAMEL model analysis, HDFC bank is ranked at top position with composite average of 2.70, followed by Bank Of Baroda (3.27), Axis Bank (3.34), ICICI Bank (3.62), Punjab National Bank (3.78) and SBI (4.16) were at the bottom most position.

FINDINGS AND SUGGESTIONS

In the process of evaluation of performance of various banks, I found that, different banks have obtained different performances with respect to CAMEL ratios. I suggested the following:

- The HDFC Bank stood at top position by showing good performance in terms of capital adequacy, Asset quality and earning quality, but it needs to improve Management efficiency and Liquidity.
- The Bank of Baroda stood at second position by showing good performance in terms of Liquidity and Management Efficiency, but it needs to improve Earnings quality and Capital adequacy.
- The AXIS Bank stood at third position by showing good performance in terms of Management Efficiency and Asset quality but it needs to improve Liquidity and Capital adequacy.
- The ICICI Bank stood at fourth position by showing good performance in terms of capital adequacy and Asset quality but it needs to improve Management efficiency Earning quality and Liquidity.
- The Punjab National Bank stood at fifth position by showing good performance in terms of capital adequacy and earning quality but it needs to improve Management efficiency Asset quality and Liquidity.
- The SBI Bank stood at last position by showing good performance in terms of Liquidity. But it needs to improve Management efficiency, Asset quality, capital adequacy and earning quality.

Most of these banks, including HDFC, ICICI, Axis, and Bank of Baroda lie in a similar rank region. However, these banks' assets etc. vary a great deal and they cannot be judged solely based on the absolute values of the CAMEL ratios. Looking at the trend, we can say that private banks are growing at a faster pace than public sector banks.

CONCLUSION

In the process of evaluation of performance of various banks, our study concluded that, different banks have obtained different performances with respect to CAMEL ratios. The HDFC Bank and Punjab national Bank stood at top position in terms of capital adequacy. In terms of asset quality, the HDFC Bank was at top position. In context of management quality, Axis Bank positioned at first. In terms of earnings quality, HDFC Bank, Punjab national Bank obtained the top position. The Bank of Baroda is ranked top in liquidity Criterion. The overall performance table shows that, HDFC Bank is ranked first followed by Bank of Baroda and Axis Bank. Most of these banks, including HDFC, ICICI, Axis and Bank of Baroda lie in a similar rank region. However, these banks' assets etc. vary a great deal and they cannot be judged solely based on the absolute values of the CAMEL ratios. Looking at the trend, we can say that private banks are growing at a faster pace than public sector banks.

REFERENCES

1. Arora, S and Kaur, S (2008), "Diversification by Banks in India: What are the Internal Determinants?" The Indian Banker, Vol. III (7): pg. 37-41.
2. Dr. K. Sri Harsha Reddy (2012): "Relative performance of commercial banks in India using CAMEL approach", International journal of multidisciplinary research, Volume 2, Issue 3, March 2012, ISSN2231-5780.
3. Dr. P. Nirajan Reddy & Rekha Rao Subraveti (2015): "An Analysis of the Performance of Selected Public Sector Banks Using CAMEL Approach" Volume 4, Issue 10, Abhinav National Monthly Referred Journal of Research in Commerce and Management, October 2015, ISSN No:2277-1166.
4. Fentje Salhuteru & Fransina Wattimena: "Bank Performance with CAMEL Ratios Towards Earnings Management Practices in Banks and Private Banks", Advances in Social Sciences Research Journal, Volume 2, Number 3, 2015
5. Malihe Rostami (2015): "Camels Analysis in Banking Industry", Global Journal of Engineering Science and Research Management, November 2015, ISSN 2349-4506.
6. Mishra Aswini kumar, G. Sri Harsha, Shivi Anand and Neil Rajesh Dhruva (2012): "Analyzing soundness in Indian banking: A CAMEL approach", Research journal of management sciences, Volume 1(3), 9-14, October 2012, ISSN 2319-1171.
7. Parvesh Kumar Aspal & Sanjeev Dhawan (2014): "Financial Performance Assessment of Banking Sector in India: A Case Study of Old Private Sector Banks", TheBusiness& Management Review, Volume 5, Number 3, November 2014.

WEBSITES

8. <http://www.axisbank.com/>
9. <http://www.bankofbaroda.co.in/>
10. <http://www.capitaline.com/>
11. <http://www.hdfcbank.com/>
12. <http://www.icicibank.com/>
13. <http://www.moneycontrol.com/>
14. <http://www.pnbindia.in/>
15. <http://www.sbi.co.in/>

EX-POST FACTO RESEARCH ON "HYGIENE PRACTICES" FOLLOWED BY FOOD HANDLERS

RISHIE PRAVEEN FRANKLIN
TEACHING ASSISTANT
DEPARTMENT OF TOURISM
MKU COLLEGE
MADURAI

ABSTRACT

The study finds out that there is a direct link between education and personal hygiene procedure, the above finding shows that the hotel has good percentage in hygiene practices; this is because 49.98% of their staff has formal education in hotel management, and as a result they have good knowledge on hygiene, food hazard and kitchen hazard. If motivation from superior, and work environment (the heat factor) taken care of, it might improve the staying power, and indirectly the overall performance and the hygiene factor. On nature of work, majority of staff felt that they are working more and because of that they could feel the stress which might reflect in their hygiene practices. If this continues, staying power decrease, so does the cost of training new resource increase.

KEYWORDS

hygiene, food handler, motivation, parameters.

INTRODUCTION

The tourism industry, particularly the hotel and restaurant subsector is highly diversified in the types of businesses that operate under its auspices. Every catering business is different. There will be a different menu, different equipment, different systems of drinks dispense, and different methods of food preparation and service.

A hazard (¹page 2) is anything that could cause harm to the consumer. There are three main hazards that may arise with food served in catering premises. These are contamination of food by micro-organisms that cause food poisoning, Chemicals, foreign bodies like glass, metal, plastic, human hair. Of these, the most important hazard is likely to be harmful bacteria or other germs that may contaminate and grow in food. Every food handler will have different hazards depending upon the range of foods he prepares and the methods of preparation. Each handler must identify the possible hazards in his work he does. Food handler (²page 4) is a person involved in a food business that handles or prepares food whether freshly made or convenience.

OBJECTIVE

To highlight the importance of hygiene that food handlers has to maintain as they have responsibility towards the health of the Public (guest visiting hotel).

HYPOTHESIS

Food handlers are also brought under the category (as public) as they are part of large society and ought to stay healthy and motivated. This paper attempts to find the hygiene practices followed, and factors affecting (food safety act 1990) (poor motivation, long working hours, poor working environment) Food handlers, which might invariably affect their out-put as they are directly involved in food production. The above statement is a hypothesis and it is not tested.

RESEARCH METHODOLOGY

SCOPE: This measure can be followed not only in hotels but also in varied food outlets such as: outdoor & event catering, mobile snack vehicles, motels, guest houses, fast food outlets, take ways and restaurants. In this study only food handlers were considered but in further study service staffs can be considered and research on level of training imparted can be probed. The correlation between the state (both physical and mental) of food handlers and their out put can be tested.

Method of data collection: Questionnaire

Sampling Design: Deliberate Sampling

Sample Size: 15 out of total staff of 46(Kitchen staffs), selection criteria of sample is education, and experience – (it is the belief of the paper presenter that both education & experience, play an important role in better understanding and implementation of food hygiene practices)

Parameters: Training to food handlers, following HACCP, purchase, storage and issuing of ingredients, adapting food and personal hygiene, Work environment of staffs, education levels of staffs.

ANALYSIS AND FINDINGS

TABLE I: LEVEL OF EDUCATION – (HOTEL MANAGEMENT)

S.No	Education Level	No. of respondents	%
1	Craft	9	19.56
2	Diploma	4	8.69
3	Degree	10	21.73
4	Others	23	50.00
	Total	46	99.98

Of 46 kitchen staffs only 15 staffs have formal education in **hotel management**, of which 6 staffs have finished craft level course, (entry level) 3 have completed diploma and 6 have completed degree, 50% have either completed degree, or higher secondary education. This is done to show the ease of imparting hygiene knowledge to staffs; degree level staff will have a better understanding of hygiene than craft or diploma qualified, though as they gain experience they will have a better understanding.

TABLE II: EXPERIENCE LEVEL OF RESPONDENTS

S.No	Age	No of respondents	%
1	0 – 2 years	12	26.08%
2	2 – 5 years	19	41.30%
3	5 – 10 years	10	21.73%
4	Above 10 years	5	10.87%
	Total	46	99.98

¹ S.A.F.E. [Systematic Assessment of Food Environment] Available from British Hospitality Association, Queens House, London.

² S.A.F.E. [Systematic Assessment of Food Environment] Available from British Hospitality Association, Queens House, London.

Of 46 staffs 10.06% (05) were above has 10 years of experience and 21.73% has 3 to 5 years of experience, and 26.08% has 0 to 2 years of experience and 41.30% has 2 to 5 years of experience.

TABLE III: WORK SCHEDULE & NATURE

S.No		No. of respondents	%
1	My job requires quick work	5	10.86
2	Have reasonable work load	3	6.52
3	Often asked to work extra	18	39.13
4	Work is stressful	20	43.47
	Total	46	99.98

Of 46 staffs 6.52 feel that they have reasonable work load, and 8.69% said that they have to be quick in their work, and 39.13% feel they were often to work extra and 43.47% feel their work is stressful.

TABLE IV (A): WORK ENVIRONMENT: – TEMPERATURE INSIDE KITCHEN

S.No		No. of respondents	%
1	Bearable	9	19.56
2	Un-bearable	30	65.21
3	Moderate	7	15.21
	Total	46	99.98

Of 46 staffs, 15.21% feel that temperature inside kitchen is moderate, and 19.56% feel that heat inside kitchen is bearable and 65.21% feel that it is too hot (above 35°C)

TABLE – IV (B): LIGHTING & EXHAUST

S.No		No. of respondents	%
1	Excellent	29	63.04
2	Good	11	23.91
3	Moderate	5	10.86
4	Inadequate	1	2.17
	Total	46	99.98

Of 46 staffs, 2.17% says that lighting and exhaust is inadequate, 10.86% feel lighting and exhaust is moderate, 23.91% feel that lighting & exhaust is good and 63.04% lighting and exhaust is excellent.

TABLE V: ADHERING PERSONAL & KITCHEN HYGIENE

S.No		No. of respondents	%
1	Always follow	34	73.91
2	Some times	12	26.07
3	Not at all	0	0
	Total	46	99.98

Of 46 staffs, 73.91% says that always adheres to strict personal and kitchen hygiene practices, 26.07% says that they not very strictly follow personal and kitchen hygiene practices.

Of 46 staffs 4.34% say they have inadequate knowledge of food and work place hazard, 4.34% says they have reasonable knowledge on both food and work place hazard, 26.08% has very good knowledge on both food and workplace hazard, and 12% say they have excellent knowledge on food hazard and work place hazard.

TABLE VI: KNOWLEDGE OF FOOD HAZARDS & WORK PLACE HAZARDS

S.No		No. of respondents	%
1	Excellent	12	26.08
2	Good	30	65.22
3	Moderate	2	4.34
4	Inadequate	2	4.34
	Total	46	99.98

TABLE VII: SOURCE OF MOTIVATION

S.No		No. of respondents	%
1	by superiors	04	8.69
2	by co-workers	11	23.91
3	by colleagues	26	56.52
4	Self-motivated	05	10.86
	Total	46	99.98

Of 46 respondents, 8.69% has been motivated by their immediate superiors, 10.86% has been self motivated and 23.91% has been motivated by their co-workers (from other departments), and 56.52% has been motivated by their colleagues in their own department.

TABLE VIII: HACCP TRAINING

S.No		No. of respondents	%
1	Formally trained in HACCP	02	4.34
2	Studied while on course	14	30.43
3	Trained while on the job	30	65.21
	Total	46	99.98

Of 46 staffs, 4.34% were formally trained in HACCP, while 30.43% acquired knowledge while doing their hotel management course and 65.21% received while they were on their job.

TABLE IX: PURCHASE, STORAGE AND PRODUCTION SCHEDULE

S.No	Parameters	Poor	good	excellent
1	Purchase and delivery Reputed supplier	0	3	
2	Storage – correct temperature	0	3	
3	Production – proper cooking method & temperature	0	3	
4	Production – kitchen hygiene	0		4
5	Production – cooling – rapidly	0	3	
6	Reheating – 75*c	0	3	
7	Hot holding – 63*c	0	3	

Likert – type scale is used to rate, range is 1 to 5: 1 for poor, 3 for good, greater than three is excellent.

For this the staffs were asked to rate separately the above said parameters, and almost all have rated 3 on the scale of 5 for purchase, delivery, storage, production, reheating and holding techniques. Kitchen hygiene was give maximum of 4 on a scale of 5.

FINDINGS

- 49.98% have formal education in hotel management which is almost half of the total strength of kitchen, and this help in educating the importance of hygiene. The staying power of kitchen staff is less when compared to the total strength, which means the management has spent extra time resources on tuning them up to their standard, which might have an impact on hygiene standards. 20% of staff says their work is stressful, this could be the reason for poor staying power, and 39.13% say they are often asked to work extra than the normal schedule, which also could be the reason staff with low staying power.
- Work environment another area to be looked as 65.21% say heat inside kitchen is un-bearable or hot; this is an area of consideration as this is suitable for the growth of pathogens, but staff has voiced positive note on storage, reheating and food holding pattern on a positive note. In a scale of ten they have given a rating of 3 out of 5.
- On adhering to personal hygiene practice, 73.1% have strict practice of following hygiene procedures which is related directly to the education level of employees; this will have positive impact on control of pathogens and food poisoning. Similarly, knowledge of food hazard and kitchen hazard is good, as 65.22% and 26.08, has excellent knowledge on both.
- Motivation from superior is poor, it stands at 4%, and colleagues and coworkers post better picture, if motivation from superior can be increased it might increase the staying power of staffs and hotel might reduce its time on training in HACCP and hygiene practice.

CONCLUSION

There is a direct link between education and personal hygiene procedure, the above finding shows that the hotel has good percentage in hygiene practices; this is because 49.98% of their staff has formal education in hotel management, and as a result they have good knowledge on hygiene, food hazard and kitchen hazard. If motivation from superior, and work environment (the heat factor) taken care of, it might improve the staying power, and indirectly the overall performance and the hygiene factor. On nature of work, majority of staff felt that they are working more and because of that they could feel the stress which might reflect in their hygiene practices. If this continues, staying power decrease, so does the cost of training new resource increase.

REFERENCES

1. A Guide to the General Temperature Control Regulations Department of Health, Distribution Centre, Wetherby
2. Food Safety Act 1990
3. S.A.F.E. [Systematic Assessment of Food Environment] Available from British Hospitality Association, Queens House, London.

ANALYSIS OF PROFITABILITY AND RISK: A CASE STUDY OF MRF LTD.

PARTHA GHOSH

LECTURER

GEORGE COLLEGE OF MANAGEMENT & SCIENCE

MAHESHTALA

ABSTRACT

Profitability and risk are very important to determine the financial condition and performance of a firm. Again profitability and risk have same direction; in order to have greater profitability, we need to take greater risk. But in practice a firm must accomplish a minimum risk to achieve maximum profitability. This paper makes an attempt to provide an insight into the profitability performance of MRF in comparison to risk. The study is based on secondary data collected from published annual reports cover a twelve years' period from 2003 to 2014. The available data have been analyzed by using important profitability ratios and risk factor. Profitability ratios are ranked and selected into a uniform boundary to compare their performance with risk.

KEYWORDS

profitability, risk Factor, trade-off.

1. INTRODUCTION

Profit is a very good indicator of business performance; every business must earn sufficient profits to sustain the operations of the business and to fund expansion and growth. It is difficult for a business to breathe well without profit. It may be regarded as a mirror of the performance of business activities. In short, profit is the legitimate object of an enterprise form the shareholder. Accountant ascertain profits, is not only a reliable measure of efficient performance by means of production resources. But also, means of measuring the progress of the business and of indicating when and whole corrective action, if necessary shall be taken. The management of a business firm has to take some vital managerial decision like further development, raising of an additional finance and dilemma dividend payments etc. and for this purpose the management very much rely-upon the profitability of the business firm.

On the contrary risk is the "effect of uncertainty on objectives". It can be seen as relating to the profitability of uncertain future actions. Risk analysis is the technique of defining the analyzing the threats posted to businesses by adverse dealings. Financial deals which creating a proper outline to maximize profits at a given level of risk. In pursuing this balance, the firm must develop controls over the flows of funds while allowing sufficient flexibility to respond to changes in the operating environment. Thus, the firm must manage a tolerable risk so as to achieve maximum profitability.

2. COMPANY SNAPSHOT

Since 1984, MRF Tyres has consistently been chosen by almost every major car manufacturer in India. MRF is the one of the biggest company in the Indian tyre industry. The company manufactures the largest range of tyres in India and with the largest market share in almost every segment of the tyre industry. The company's six manufacturing facilities are located at southern part of the country. At present MRF export tyres to over 65 countries. It is the first tyre company in India to achieve a turnover of Rs. 5,000 Crore. In fact, its gross revenues crossed the Rs. 10,000 Crore mark in financial year 2010-11. It also has one of the highest Net Profit growth rates over the last 5 years. During 2015 the company plant to invest Rs. 4,500 Crore in Tamil Nadu over next seven years as part of expansion plan and will soon sign a pact with the state government in this regard.

3. OBJECTIVES OF THE STUDY

The study is being done with the following objectives:

- (1) To examine the profitability position of the company over the study period.
- (2) To measure the risk factor of the company during the period of study.
- (3) To know the association between profitability and risk.

4. EXPERIMENTAL DETAILS

The study is concerned with the twelve years' data on MRF Ltd. for a period of (2003-2014). The data is of secondary in nature and is obtained from various published reports. The available data has been analyzed through various profitability ratios and drawing out the profitability position of the said company. Statistical tool Rank correlation has been applied by ranking the observations. Further, statistical t-test has been applied to test the hypothesis and draw conclusions.

5. RESULTS AND DISCUSSION

PROFITABILITY ANALYSIS

The profitability of the enterprise is popularly measured with the help of financial ratios conveying quantitative relationship between two variables considered for the purpose. The gross profit ratio indicates the limit beyond which sales are not tolerated to fall. A high ratio of gross profit to sales is a symbol of good management for the firm. Similarly operating ratio determines the operational efficiency of the management. Higher operating ratio indicates that the firm has got enough margins to meet its non operating expenses well as to create reserve and pay dividends. Alternatively, net profit ratio indicates the efficiency of management to operate the firm successfully in relation to earned revenues and all types of costs associated with it at a reasonable level of risk and uncertainty. The high net profit ratio ensures good return to the owners. Simultaneously return on capital employed explains the overall utilisation of fund by a business. It reveals the efficiency of the business in utilisation of funds entrusted to it by, share holders, debenture-holders and long-term liabilities. While Return on Networth indicates how profitably the shareholders' fund or net worth has been utilized by the enterprise. It is an important yardstick to judge the performance of a firm for the equity shareholders.

The theoretical model of Profitability analysis is given as follows:

Independent Variables	Dependent Variable
Gross profit Ratio	Profitability Performance of the company
Operating Profit Ratio	
Net Profit Ratio	
Return on Capital Employed	
Return on Net Worth	

Table no. 1 depicted the consolidated profitability position of MRF Ltd from 2003 to 2014

TABLE 1: CONSOLIDATED PROFITABILITY POSITION OF MRF LTD.

Year	Operating Profit		Gross Profit		Net Profit		ROCE		RONW		Total	Ultimate Rank
	Rate	R*	Rate	R*	Rate	R*	Rate	R*	Rate	R*		
Sep '03	10.05	7	8.53	4	5.36	4	13.57	8	16.67	8	31	8
Sep '04	7.70	10	7.08	8	1.11	12	10.33	10	3.98	12	52	10
Sep '05	5.86	12	5.66	10.5	1.35	11	5.03	12	5.35	11	56.5	12
Sep '06	6.88	11	5.66	10.5	2.13	10	8.50	11	9.69	10	52.5	11
Sep '07	10.24	6	9.21	3	3.89	8	18.97	6	17.42	7	30	7
Sep '08	8.65	8	5.30	12	2.80	9	13.11	9	12.66	9	47	9
Sep '09	12.42	3	8.03	6	4.50	7	27.88	2	18.82	6	24	4
Sep '10	11.20	4	7.71	7	4.74	6	22.01	5	20.93	3	25	5
Sep '11	8.37	9	5.82	9	6.37	3	15.21	7	26.95	1	29	6
Sep '12	10.64	5	8.09	5	4.82	5	22.09	4	20.02	4	23	3
Sep '13	14.56	2	11.48	1	6.61	2	28.04	1	22.00	2	8	1
Sep '14	14.60	1	11.40	2	6.80	1	24.79	3	19.87	5	12	2

Source: Compiled from the www.economicstime.com (R* = Rank)

The ratios are ranked in the order of their influence on Profitability. The higher the ratio; the greater is the Profitability. Further, the ultimate rank has been considered from the total of the ranks of ratios. The ultimate ranking has been completed on the principle that the lower the aggregate of the individual ranks, the more profitable is the liquidity position and vice versa.

RISK ANALYSIS

This risk is generally measured with the help of financial ratios. It is to be noted that there are no prescribed accounting ratios for risk evaluation. Some specific index value methods are also followed to determine the risk. Risk factor helps to know about the financing of the current assets through long term funds after fixed assets are financed in full. In this study we use the following formula for measuring non-insurable risk of MRF:

$$R_k = \frac{\{(E_j + L_j) - A_j\}}{C_j}$$

Where,

R_k = Risk Factor,

E_j = Equity + Retained Earnings,

L_j = Long term Loans,

A_j = Fixed Assets and

C_j = Current Assets.

Implications of Risk Factor (R_k):

(i) $R_k = 0$: indicates the firm is using the aggressive policy and normally the profitability would be high.

(ii) $R_k = 1$: indicates the firm is using the conservative policy and normally the profitability would be low.

Table no. 2 depicted the data relating to the risk factor, its ranking order, and the type of policy adopted by the company during the study periods. The following mentioned table indicates that the R_k values were found neither closed to 0 nor closed to 1; hence this parameter clearly reveals a moderate level of risk policy. It indicates standard profitability situation.

TABLE 2: CALCULATION OF RISK FACTOR IN RANKING ORDER

Year	(in Rs. Cr.)				Risk Factor (R_k)	Rank
	Equity + Retained Earnings (E_j)	Long-Term Loans (L_j)	Fixed Assets (A_j)	Current Assets (C_j)		
Sep '03	704.20	191.73	398.47	839.69	0.59	12
Sep '04	723.41	166.32	419.22	917.00	0.51	6
Sep '05	754.05	299.57	536.81	1,061.63	0.48	5
Sep '06	824.29	309.65	649.67	1,158.02	0.41	1
Sep '07	986.15	395.55	656.75	1,318.14	0.54	10
Sep '08	1,120.79	634.29	866.55	1,696.39	0.52	7.5
Sep '09	1,361.42	189.75	933.56	1,290.10	0.47	4
Sep '10	1,690.68	541.95	1,328.91	1,974.44	0.45	3
Sep '11	2,297.77	1,209.30	1,971.38	2,890.09	0.53	9
Sep '12	2,857.80	1,433.34	2,913.80	3,160.78	0.43	2
Sep '13	3,645.14	1,259.92	2,969.54	3,682.24	0.52	7.5
Sep '14	4,517.64	1,390.87	3,428.69	4,215.84	0.58	11

Source: Compiled from the www.economicstime.com

TRADE OFF BETWEEN PROFITABILITY AND RISK

Table no.3 exhibits that the correlation coefficient between two series of ranks is called 'Rank Correlation Coefficient' (r) and it is -0.15. Spearman's Rank Correlation uses rank rather than actual observation and makes no assumption about population from which actual observations are drawn. Hence the profitability and risk are negatively associated but the degree of relationship is low. Again the null hypotheses drawn state that profitability and risk of the firm are negatively correlated which is tested by using student's t test for confirming the association between the risk and profitability. Calculated ' t ' value of ' r ' at 0.05 level of significance and $(n - 2)$ degree of freedom is -0.480 where as the table value of t is 1.812. As the calculated value is less than the critical value, the null hypothesis is accepted. Thus, it can be said that the profitability and risk are negatively correlated.

TABLE 3: RISK AND PROFITABILITY: THE RELATIONSHIP (using rank correlation)

Year	Ranking of Profitability	Ranking of Risk Factor
Sep '03	8	12
Sep '04	10	6
Sep '05	12	5
Sep '06	11	1
Sep '07	7	10
Sep '08	9	7.5
Sep '09	4	4
Sep '10	5	3
Sep '11	6	9
Sep '12	3	2
Sep '13	1	7.5
Sep '14	2	11
'r'	- 0.15 (Low negatively correlated)	
't' value of 'r'	- 0.480	

Source: Calculations are done using MS Excel.

6. CONCLUSION

The overall profitability position showed a mixed performance over the study period. The ranking of profitability ratios denotes that during the year 2013 the company enjoyed the highest profitability and the poorest profitability was recorded in 2005. The index value of risk factor is not satisfactory over the study period. However, the highest risk was recorded during the year 2003. It is practical that there is a low degree of negative association between profitability and risk. Further, the profitability and risk of the firm are also negatively correlated.

REFERENCES

1. Annual reports of MRF India Limited from 2002-03 to 2013-14.
2. Banerjee, D (2007). "Modern Accounting Theory and Management Accounting". Kolkata: Book Syndicate Pvt. Ltd., pp.596-599.
3. Ghosh, J (2007). "Financial Statement Analysis". Tee Dee Publication (P) Ltd., pp.642-645.
4. Gupta, S.K. and Sharma, R.K (2009). "Management Accounting". Delhi: Kalyani Publishers, pp.4.58-4.90.
5. Kapil S. (2011). "Financial Management". Dorling Kindersley (India) Pvt. Ltd., pp.120-136.
6. Kothari C.R. (2003). "Research Methodology - Methods & Techniques". New Delhi: Wishwa Prakashan,
7. Kulkarni M.V (2010). "Research methodology-illustration and cases". Everest Publishing House, first edition, pp.86-92.
8. Maheshwari S.N. (2010). "Financial Management". Sultan Chand & Sons, pp.B.27-B.141.
9. Reddy, C.V (2012). "Analysis of Liquidity, Profitability, Risk and Financial Distress: A case Study of Dr. Reddy's Laboratories Ltd." Indian Journal of Finance, Vol.6, No.12, pp.5-17.
10. Sharma, V (2011). "Liquidity, Risk and Profitability Analysis: A Case Study of Maruti India Ltd." Search and Research, Volume-II, No.3, pp.80-84.
11. **WEBSITE**
http://www.moneycontrol.com/financials/MRF /balance-sheet [Viewed on December 18, 2015]

A STUDY ON THE EFFECTIVENESS OF INTEGRATED MARKETING COMMUNICATION ON DIFFERENT BRANDS OF GOLD JEWELLERY

HANNA JOSEPH

RESEARCH SCHOLAR, HINDUSTAN UNIVERSITY, CHENNAI; &

FACULTY

DEPARTMENT OF MANAGEMENT

LEADS ACADEMY FOR CORPORATE EXCELLENCE

THRISSUR

ABSTRACT

Culturally, the Indian people have a great fascination for gold. It should be recognized that in India, in common with other Asian Countries, gold has a very important role in our cultural heritage. Gold is considered as a commodity, and not a product. Any form of gold is equal to any other form of gold. It is viewed to be homogenous and indistinguishable, having no brand or expiry date. As a result, gold demand is not price-elastic. Rather it is prosperity elastic - that is, increments in household income are generally matched by purchases of more gold. The Research paper studies the effectiveness of Integrated Marketing Communication on different brands of Gold jewellery in Kerala, by taking Thrissur, the Gold Hub of Kerala as a case study. From the research it was found that Integrated Marketing Communication plays a significant role in Gold jewellery and brand recall. In the study, survey method is used to collect the primary data through a well designed questionnaire. Questionnaire method helps in fulfilling several purposes like measurement, descriptions and drawing inferences. The results are compared and analysed using percentage analysis.

KEYWORDS

advertisement, gold, integrated marketing communication, jewellery, marketing, promotion.

INTRODUCTION

Gold, known by its chemical name AURUM has got the meaning "Shining Dawn". The word GOLD has been derived from old English word GELO meaning Yellow; the reason for calling it yellow metal. Passion for jewellery is legendary. It is reflected in numerous customary occasions where it is not only considered auspicious but mandatory to gift ornaments crafted in gold. People buy gold for reasons such as marriage, savings, investment, traditional value, emergency purposes, individual investment strategies and risk tolerances. In Peter Bernstein's book "Power of Gold", the story of gold is described as "The History of an Obsession". In 1990, the three main policy changes led to plentiful supply of legal gold in the country namely

- (i) Repeal of Gold Control Act
- (ii) Grant of permission to non-resident Indians to bring in upto 5kg -10kg gold
- (iii) Provisions in Foreign Exchange Regulation Act. These measures opened up the industry. India's gold demand was 842.7 tonne in 2014.

REVIEW OF LITERATURE

A literature review is the critical analysis of a segment of a published body of knowledge through summary, classification and comparison of prior research studies, and theoretical articles. The aim of literature review is to show that "the writer has studied existing work in the field of insight". A good literature review presents a clear case and context for the study that makes up the rest of the thesis. It raises questions and identifies areas to be explored. Previous studies and articles written are reviewed in order to gain insights for the research done in the particular topic. It also analyzes, what impact the study will have on the selected topic. The following information have been collected from various articles and journals related to the topic of study:

According to World Gold Council (2014) festival buying, bridal demand and general upswing in economic sentiments has led to 8% growth in jewellery in 2014 compared to 2013.

According to Prateek Maheshwari, Nitin Seth, Anoop Kumar Gupta (2014) in the article "Advertisement Effectiveness: A Review and Research Agenda" says that in today's competitive and dynamic business scenario organizations are witnessing tremendous pressure on account of increased competition, increased customer participation and increased consumer responsiveness. Organizations are struggling to the maximum to find ways to deliver the best to customers compared to their competitors.

Marketing communications is a management process through which an organization enters into a dialogue with its various audiences. Based upon an understanding of the audiences' communications environment, an organization develops and presents messages for its identified stakeholder groups, and evaluates and acts upon the responses received. The objective of the process is to (re) position by influencing the perception and understanding of the organization and or its products and services, with a view to generating attitudinal and behavioral responses'. (Fill2002). Organizations use an increasing variety of marketing communications tools and media in order to convey particular messages and encourage customers to favour their brand or products. This include advertising, direct marketing, personal selling, public relations etc. It was found that respondents closely watch the advertisements when their preferred celebrity is appearing in the television advertisement. It is also found that the reach of the product message and brand recall are very high in case of celebrity advertisements.

STATEMENT OF THE PROBLEM

The role of Integrated Marketing Communication is divided into four namely:

- Differentiation- to differentiate or to make a product or brand different from its competitors
- Remind- to encourage the customers to think about your product as and when required
- Inform- to provide necessary information for the customers
- Persuade- to force the customers to take an action favourable to your brand

In the present scenario, jewellery owners are promoting their product through several medias of advertising to establish and expand their market. Integrated Marketing Communication is necessary so that consumers know about the introduction of the product, its usefulness, availability, novelty, versatility, offerings, purity etc. In this context, the researcher felt a need to identify the influence of Integrated Marketing Communication among the public and how to materialize the same.

Thus, it becomes important for the merchants to know the changing preferences of customers. As gold is preferred for all occasions, it is viewed that there is still more scope for this business. Jewellery is a very vast field to study upon because for every culture and religion we have different style of jewellery. Consumer buying behaviour keeps on changing. Consumers are better informed and have more choices about how they spend their money than ever before. They want experiences and products that satisfy their deepest emotional needs, sold to them in the most innovative ways. This forces the researcher to study the different promotional aspects of gold jewellery, the effectiveness of Integrated Marketing Communication in gold jewellery, perception of the customers and finally suggest ways to stay in touch with them.

SCOPE OF THE STUDY

Gold has been the most valued metal from the earliest stages of human progress and civilization. The lure of gold has been a universal and almost timeless phenomenon cutting across castes, classes, creeds and colours. Gold is considered as the only metal whose supply will never exceeds its demand. Traditionally, India is the largest market for the yellow metal. The jewellery demand in India rose to 662 tonne in 2014 from 612.7 tonne in 2013. But in contrast, the investment demand slid to 180.6 tonne in 2014 from 362.1 tonne in 2013. Analysts say that bullish equity market and volatility in gold prices kept the investors away from the yellow metal.

Now countries like China, Turkey and Singapore are witnessing good demand for gold and are emerging as mature markets. India being a major consumer of gold should take steps and come out with a gold policy to take advantage of this shift.

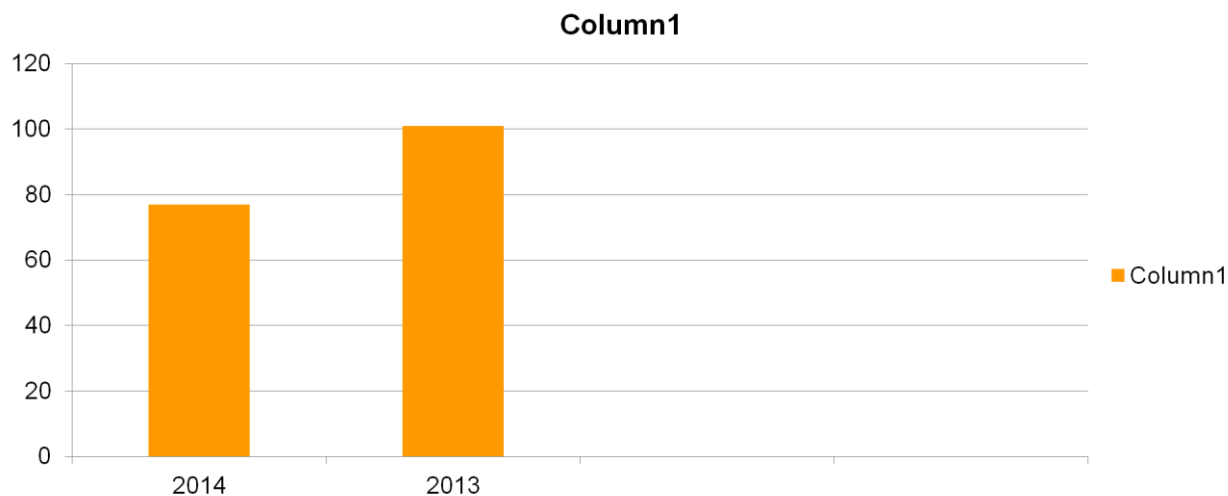
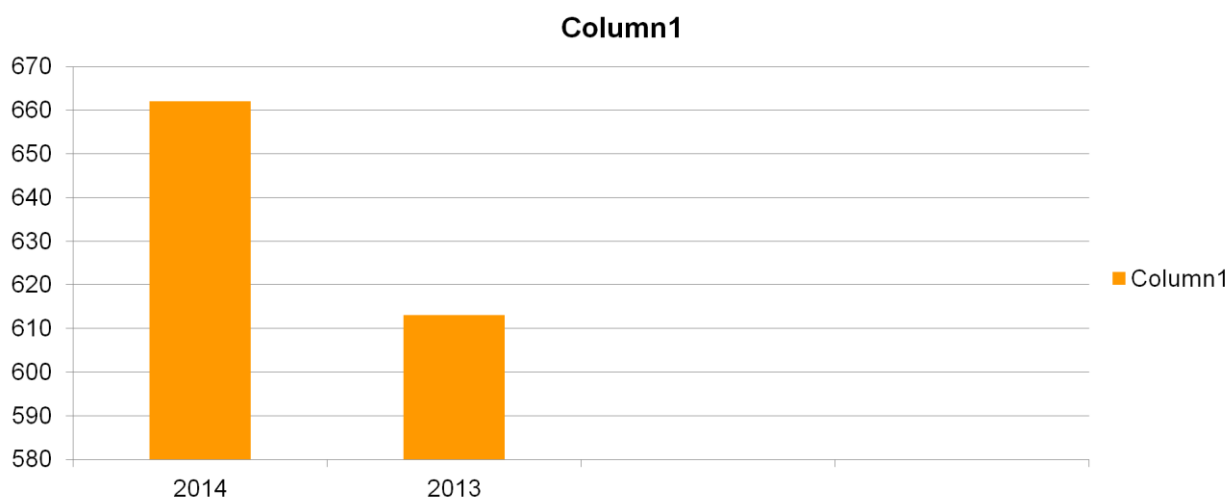
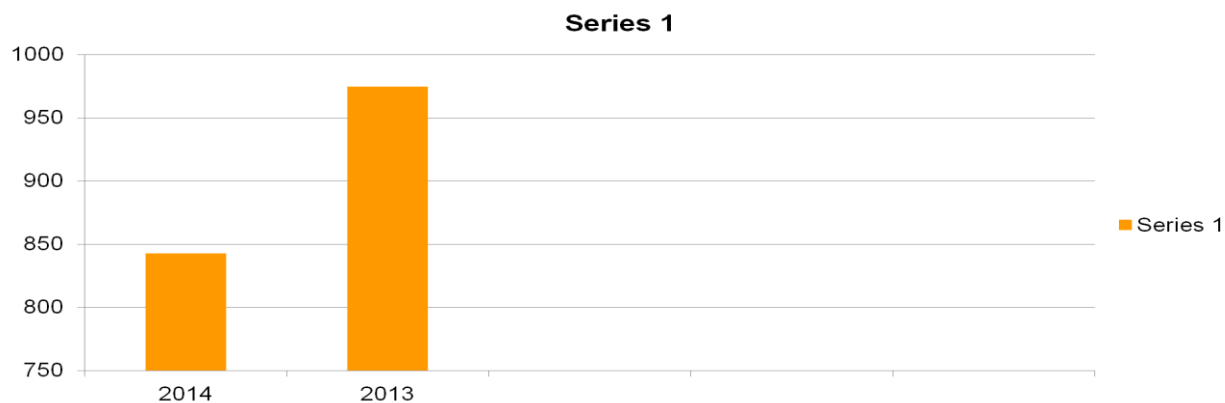
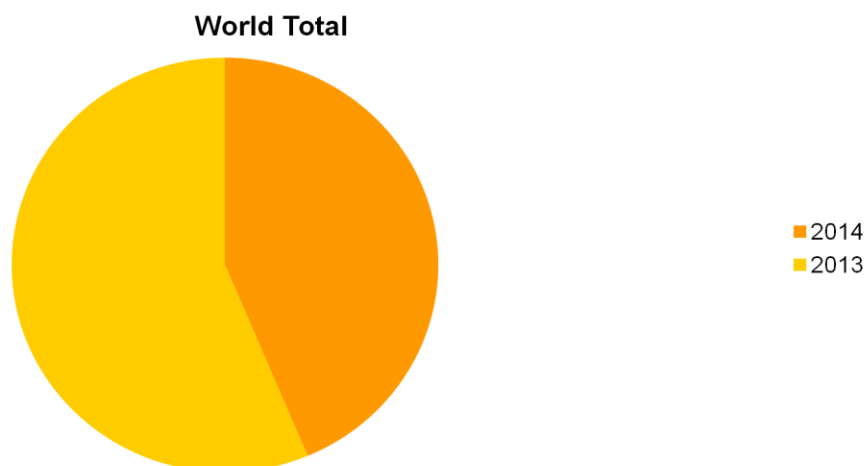
FIGURE 1.1: AMOUNT OF GOLD RECYCLED IN INDIA (in tonne)**FIGURE 1.2: DEMAND FOR JEWELLERY (in tonne)****FIGURE 1.3: GOLD DEMAND IN INDIA (in tonnes)**

TABLE 1.1: WORLD TOTAL DEMAND FOR GOLD

Year	Quantity demanded
2014	3216.6 tonnes
2013	4150.1 tonnes

Source: Business Line, January 2015

FIGURE 1.4: WORLD TOTAL DEMAND FOR GOLD



This study seeks to measure the impact of marketing strategies on the gold ornament market of Kerala and probe the management of the gold ornament market effectively by employing new marketing strategies. The study covers the views expressed by various informants representing customers across various geographical and demographical spectra. It is expected that this study will enable the jewellery merchant to device plans, policies and strategies more successfully in the gold ornament market in order to attain their target.

The relevance of the topic is that it contributes much to understanding of the business of gold and its ornaments in Kerala. Further, the state of Kerala is a big consumer of gold which has much social significance. A study in this line has not been made to researcher's knowledge.

GOLD BUSINESS IN THRISSUR

The city of Thrissur happens to be the hub of the gold trade in the state of Kerala. It is mentioned as the Bee-hive of gold manufacturing which has got a monopoly in the art of gold ornament making. Thrissur accounts for almost 30% of all the jewellery made in the country Thrissur is one of India's newest boom town. It is the first Gold Town in Kerala. There are around 3000 manufacturing units in Thrissur which employs around 50,000 artisans. There is an estimated 700 jewellery outlets in Thrissur district. Venginissery, Chiyaram, koorkkanchery, Vallachira, Perinchery are some of the significant places for Gold business in Thrissur. This is the reason behind choosing the sample from Thrissur district in Kerala as the researcher feels that a major chunk of the Gold industry in Kerala can be represented by samples from Thrissur.

INTEGRATED MARKETING COMMUNICATION

Integrated Marketing Communication is the concept of building and reinforcing mutually profitable relationships with employees, customers, stakeholders and general public by developing and co-ordinating strategic communications program that enables them to make constructive contact with the company/ brand through a variety of media. The marketer sets objectives based on an understanding of the customer or prospect and on what needs to be communicated. All forms of marketing are turned into communication and all forms of communication into marketing. To implement IMC process, the marketer starts with the customer and works back to the brand. Direct marketing and sales promotion are integral elements in most IMC programs. In direct marketing, the marketer builds and maintains a database of customers and prospects and uses a variety of mediums for communicating with them directly to generate a response or a transaction. Advertisers and agencies now realize that they can't do the job with one medium. Further, databases are accessible and affordable to every size business, and they let companies choose the prospects they can serve most effectively and profitably. The different methods of Integrated Marketing Communication are Direct Marketing, Direct Sales, Personal Selling, Direct mail, Sales Promotion etc.

OBJECTIVES OF THE STUDY

1. To have an in-depth understanding of the effectiveness of Integrated Marketing Communication in the creation of brands of Gold jewellery in Kerala.
2. To identify the most influential method of promotion of Gold jewellery.
3. To analyse the customer perception of various brands of gold jewellery.

RESEARCH METHODOLOGY

The methodology used in the research is Analytical and Empirical in nature. The required information has been collected with the help of primary and secondary sources. To evolve an appropriate methodology for the study and to formulate a conceptual frame work for the study, the secondary data were immensely helpful. For this purpose, various secondary sources were used like different journals including Harvard Business review, European Journal of Marketing, Indian journal of marketing, Journal of Advertising research, Advertising & Marketing etc. Different books dealing with gold, newspapers like The Hindu Business line, Economic times etc were also used. A careful review of literature has helped the researcher to collect and synthesize prior studies and to discover the important variables relevant to the problem.

The primary data was collected using survey method with the help of a structured questionnaire. The respondents were randomly selected for the study.

LIMITATIONS OF THE STUDY

Most of the primary data required for the study have been collected from sample respondents based on the sample survey method. As such, it is subject to the normal errors inherent due to the natural bias in the responses by respondents. Even though utmost care has been taken in verifying the reliability of the data, the probability of such errors cannot be completely ruled out.

The accuracy of the primary data collected depends upon the authenticity of the information provided by the respondents based on the questionnaire.

The samples were drawn from Thrissur district which may not entirely represent the population of Kerala.

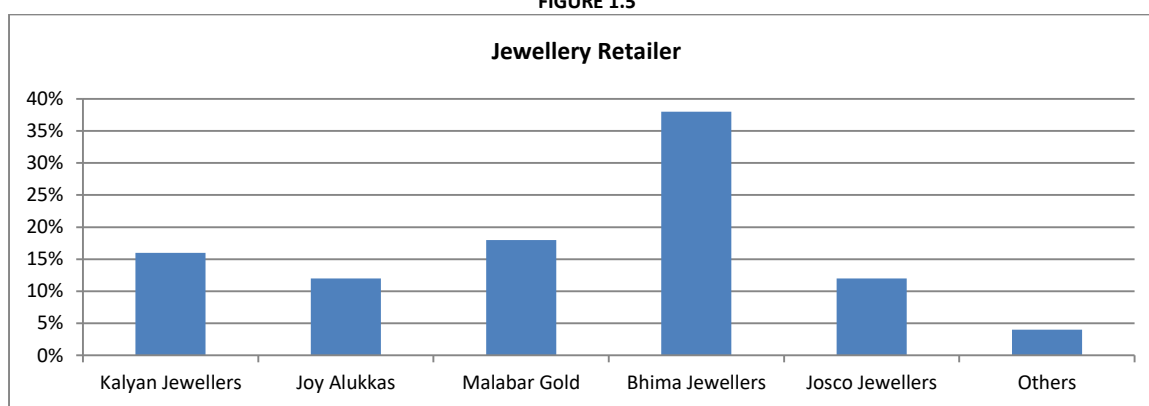
ANALYSIS AND PRESENTATIONS**IDENTIFICATION AND MEASUREMENT OF CUSTOMER PREFERENCE TOWARDS JEWELLERY RETAILER**

Out of the 50 respondents, about 38% preferred Bhima jewellers as their most preferred one. Their preference for Bhima jewellery was mainly because of the Purity of gold at Bhima. The main attribute that people look for in gold is the purity factor. In the survey, about 46% of the respondents consider purity as the most important factor for choosing their favourite jewellery. Malabar Gold and Kalyan Jewellers scored 18% and 16% respectively when people were asked to select their most preferred jewellery. Joy Alukkas and Josco shared 12% each according to customer preference. 16 out of 50 respondents valued the design of their gold jewellery as the most important factor when they buy gold. Advertisements also played its role of about 20% as the reason for attracting people towards their favourite jewellery. It has been found that proximity does not play any role in selection of the most preferred jewellery. Only 2 % preferred customer service as one of the factor affecting the selection of the preferred jewellery.

TABLE 1.2: CUSTOMER PREFERENCE OF JEWELLERY OUTLETS

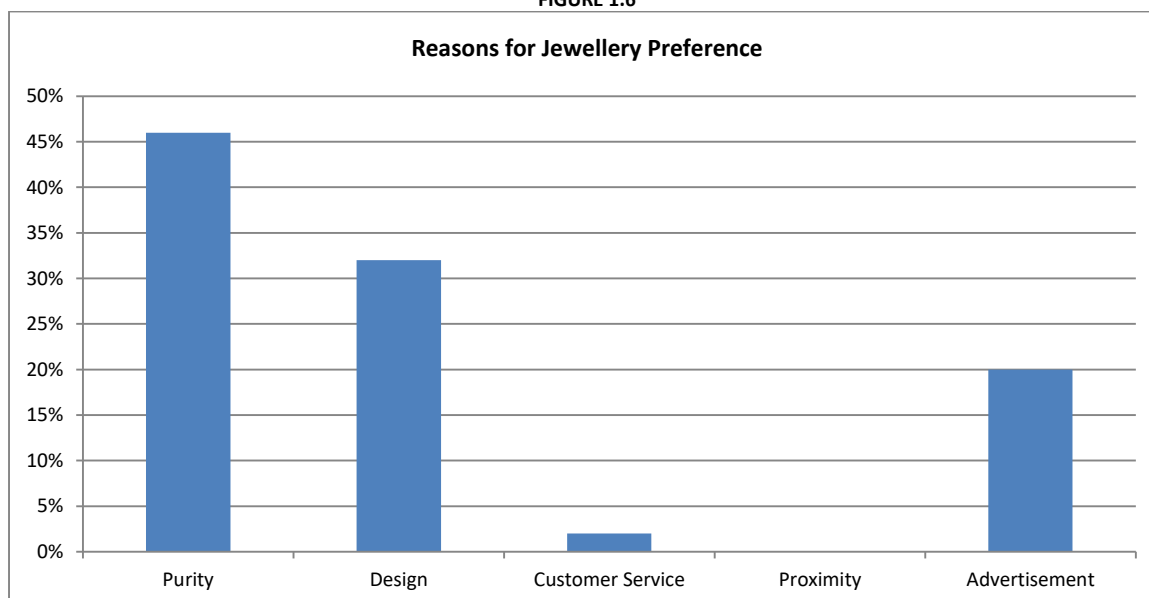
Jewellery retailer	Respondents	Percentage
Kalyan jewellers	8	16%
Joy Alukkas	6	12%
Malabar Gold	9	18%
Bhima jewellers	19	38%
Josco jewellers	6	12%
Others	2	4%
Total	50	100%

Source: Primary data

FIGURE 1.5**TABLE 1.3: REASONS FOR JEWELLERY PREFERENCE**

Reasons	Respondents	Percentage
Purity	23	46%
Design	16	32%
Customer service	1	2%
Proximity	0	0%
Advertisement	10	20%
Total	50	100%

Source: Primary data

FIGURE 1.6

RELATIONSHIP BETWEEN INTEGRATED MARKETING COMMUNICATIONS AND BRAND PREFERENCE

When the survey was conducted it was identified that majority of the respondents rated Kalyan jewellers' advertisement as the highest. Kalyan jewellers is always in limelight by introducing eye catching ads by endorsing Amitabh Bachchan, Manju Warrier, Aishwarya Rai Bachan and Prabhu as its brand ambassadors. They were the first jewellery in India to open up five showrooms in Kerala on the same day. A foreign investment company called Warburg Pincus have invested 1200 Crore in Kalyan jewellers in 2014. They are planning to spend upto 800 crore on expansion in order to set up 22 outlets in 2016. At present the jeweller has 77 stores in India and abroad. It expects a turnover of about 10,000 crore in 2015. The famous tagline of Kalyan jewellers "Vishwasam Adalle Ellam" was selected as the best tagline which got the highest rating.

Malabar Gold advertisement was rated second by the respondents whose brand ambassadors were Mohanlal, Kareena Kapoor and presently Kajal Agarwal. There was high rating for its tagline "Celebrate the beauty of life" which stood in the second position next to the tagline of Kalyan jewellers. Joy Alukkas which is a family run gold retailer holds third place in terms of its advertisements and tagline "World's favourite jeweller". Even though Bhima jewellers were rated as the most preferred jewellery among the respondents, their advertisements were not much convincing and eye catching for the customers. They need to concentrate on Integrated Marketing Communication to improve their customer base to cope up with the neck to neck competition with Kalyan Jewellers, which spends a huge amount of money for Integrated Marketing Communications.

IMPACT OF BRAND AMBASSADORS AND PROMOTIONAL SCHEMES TOWARDS LIKING OF A JEWELLERY

It has been found from the research that there is not much significance of brand ambassadors towards liking of a particular jewellery. Out of the 50 respondents, 35 said that they are not influenced by brand ambassadors for generating liking towards a particular jewellery. Among the rest 15 respondents whose selection of jewellery is being influenced by brand ambassadors, Manju Warrier followed by Kareena Kapoor were the most preferred endorsers representing Kalyan jewellers and Malabar Gold respectively.

It was surprising to see that there was an equal proportion of respondents in the ratio 25: 25 who preferred promotional schemes offered by jewellery outlets and those who don't. Reduced making charges and advance booking to avail the best possible price were rated the highest among the promotional schemes put forth by jewellery retailers. 12 % of the respondents liked exchange of old gold for new gold as their preferred promotional scheme. This particular scheme is available in Joy Alukkas outlets during January- March 2015.

IMPACT OF INTEGRATED MARKETING COMMUNICATION ON BRAND RECALL

When the survey was conducted, 62% of the respondents said that advertising plays a major role in brand preference of jewellery. Television followed by Word of mouth publicity were the highly rated medium of advertising for promotion. When the respondents were asked to rate the tagline of various jewellery outlets, the famous tagline of Kalyan Jewellers "Vishwasam Adalle Ellam" was rated the highest. Malabar Gold's tagline "Celebrate the beauty of life" and Joy Alukkas' tagline "World's favourite jeweller" holds the second and third positions respectively in terms of tagline rating. 82 % of the respondents said that tagline helped them in brand recall of the particular jewellery. About 74% of the respondents said that they used to refer about their favourite jewellery to others.

TABLE 1.4: INFLUENCE OF BRAND AMBASSADORS IN JEWELLERY PREFERENCE

Influence of brand ambassadors	Respondents	Percentage
Yes	15	30%
No	35	70%
Total	50	100%

Source: Primary data

TABLE 1.5: INFLUENCE OF VARIOUS SCHEMES ON PURCHASE OF JEWELLERY

Influence of schemes on purchase	Respondents	Percentage
Yes	25	50%
No	25	50%
Total	50	100%

Source: Primary data

TABLE 1.6: RELATIONSHIP BETWEEN ADVERTISING AND BRAND PREFERENCE

Influence of advertisement	Respondents	Percentage
Yes	31	62%
No	19	38%
Total	50	100%

Source: Primary data

TABLE 1.7: INTEGRATED MARKETING COMMUNICATION INFLUENCING BRAND PREFERENCE

Medium of advertising	Respondents	Percentage
Television	22	70.96%
Newspaper	0	0%
Hoardings	1	3.22%
Pamphlets	0	0%
Word of mouth	8	25.80%
Total	31	100%

Source: Primary data

TABLE 1.8: RELATIONSHIP BETWEEN TAGLINE AND BRAND RECALL

Influence of tagline in brand recall	Respondents	Percentage
Yes	41	82%
No	9	18%
Total	50	100%

Source: Primary data

FINDINGS

- Out of the 50 respondents, about 38% preferred Bhima jewellers as their most preferred one. Their preference for Bhima jewellery was mainly because of the Purity of gold at Bhima.
- In the survey, about 46% of the respondents consider purity as the most important factor for choosing their favourite jewellery.
- When the survey was conducted it was identified that majority of the respondents rated Kalyan jewellers' advertisement as the highest.
- In the survey, 62% of the respondents said that advertising plays a major role in brand preference of jewellery.
- Television followed by Word of mouth publicity were the highly rated medium of advertising for promotion.
- The famous tagline of Kalyan Jewellers "Vishwasam Adalle Ellam" was rated as the highest by the respondents.

- 82 % of the respondents said that tagline helped them in brand recall of the particular jewellery.
- About 74% of the respondents said that they used to refer about their favourite jewellery to others.

CONCLUSION

Integrated Marketing Communication is the concept of building and reinforcing mutually profitable relationships with employees, customers, stakeholders and general public by developing and co-ordinating strategic communications program that enables them to make constructive contact with the company/ brand through a variety of media. The survey was done through questionnaire method where 50 respondents were chosen from whom the required data was collected. Thus, from the survey it was found that Integrated Marketing Communication plays a major role in brand preference of gold jewellery. It also helped to identify the most influential method of promotion of Gold jewellery. The survey helped to throw light upon the customer perception of various brands of gold jewellery.

REFERENCES

1. Advertising Works IPA Advertising Effectiveness Awards Series 1-12 (1980-2003). NTC Publications.
2. Amanda B. and Pickton D. (2005) Integrated Marketing Communications. 2nd edition. Pearson Education Limited, United Kingdom.
3. Dr. Asiamah Yeboah. (2013) Integrated Marketing Communication. How Can It Influence Customer Satisfaction? European Journal of Business and Management, Volume-.5 No.2.
4. Fam, Kim Shyan (2000). Differing Views and Use of Integrated Marketing Communications, Findings from A Survey of New Zealand Small Businesses, Journal of Small Business and Enterprise Development, Vol. 8, No. 3: 205214.
5. Fill, C. (2002) Marketing Communications: Contexts, Strategies and Applications, 3rd edition, Harlow: Pearson Education.
6. Isobel, D. and Robin, L. (2005) Strategic Marketing Decisions, Elsevier Butterworth – Heinemann, Oxford.
7. Kenneth, C., and Baack, D. (2007) Integrated Advertising Promotion and Marketing Communication 3rd edition, Upper Saddle River.
8. Kotler, P. (2002) Principles of Marketing, 6th edition, Prentice-Hall International Inc, New Jersey.
9. M. Serdar ERCIS (2011) Importance of Integrated Marketing Communication Components regarding Brand Promotion and their effects on Company Performance: An Empirical Research. Publication 1bbb.ppp Page 13
10. Tony Proctor (2003) Essentials of Marketing Research, Pearson Education Ltd. Edinburgh Gate, Harlow, United Kingdom.

PROFITABILITY ANALYSIS OF INDIAN CEMENT INDUSTRY: A STUDY DURING 2010-15

SURAJ S. GANG

RESEARCH SCHOLAR

DEPARTMENT OF BUSINESS FINANCE & ECONOMICS

FACULTY OF COMMERCE & MANAGEMENT STUDIES

JAI NARAIN VYAS UNIVERSITY

JODHPUR

ABSTRACT

Profitability is a set of financial indicators that are used to measure a business's ability to generate income as compared to its expenses incurred during a specific period of time. The profitability of a company is a major concern for the management as well as the stakeholders because it finds out the rate of return and makes the business comparable to the industry as well as its own past. To ascertain the relative profitability standing of a firm, its financial performance and profitability ratios are compared with its immediate competitors. The technique reveals much about the company and its operation by using it with care and imagination. This paper makes an attempt to provide an insight into the profitability performance of leading cement manufacturers in India. It also makes an endeavour to observe and test the inter firm's industry position. Profitability ratios are ranked and selected into a uniform boundary to compare their performance. The study is based on secondary data collected from published annual reports cover a five years' period (2010-15). The available data have been analyzed by using important profitability ratios.

KEYWORDS

financial performance, profitability.

INTRODUCTION

India is the 2nd largest cement producer (285.83 MT) as well as consumer (280 MT) in the world followed by the China (Produced 2483.18 MT and Consumed 2511 MT). As India's current per capita consumption of cement (190 kg as of March 2015) is much lesser than the developed and other developing economies, so there is a significant business opportunity to cater to the unmet and rising demand.

According to Business Standard, Ministry of External Affairs, TechSci Research, Ministry of External Affairs (Investment and Technology Promotion Division), With nearly 390 million tonnes of cement production capacity in 2015, India is the second largest cement producer in the world. By 2025, cement production will reach to 550 million tones. Of the total capacity, 98 percent lies with the private sector and the rest with public sector, with the top 20 companies accounting for around 70 per cent of the total production. 209 large cement plants together account for 97 per cent of the total installed capacity, while 365 small plants account for the rest.

According to Union Budget 2015-16, Emkay Global Financial Services, Presence of small and mid-size cement players across regions is increasing, which helps to diminish market concentration of industry leaders. A large number of foreign players have also entered the market owing to the profit margins, constant demand and right valuation. Cement companies will go for the global listings either through the FCCB route or the GDR route. India has joined hands with Switzerland to reduce energy consumption and develop newer methods in the country for more efficient cement production, which would help India meet its rising demand for cement in the infrastructure sector. As per the Union Budget 2015 – 16, there has been a boost for low – cost housing. Thrust on infrastructure development and Housing for All with 2 crore houses in Urban areas and 4 Rural areas is likely to revive the demand for cement sector. Housing sector is considered to drive the cement industries in India to a great extent, which held nearly 67 per cent of the total cement consumption in India.

OBJECTIVES OF THE STUDY

The main objective of the present work is to appraise the performance in respect of profitability on selected cement manufactures in India and its profitability ratios are compared with its immediate competitors. More specifically, it seeks to do well upon mainly the following issues:

1. To assess the profitability position with the help of widely used financial ratios of the selected companies;
2. To observe the profitability performance of companies under the study;
3. To compare the performance of selected companies based on overall profitability.

MATERIALS AND METHODS

The present study is based on 5 listed cement manufacturing firms in India. The study covers a period of 5 years i.e. from 2010 to 2015. The industry level secondary data obtained from the audited balance sheets and profit & loss accounts and also the annual reports. The available data have been analyzed by using various Profitability indicators such as Operating Profit Margin, Net profit Margin, Return on Capital Employed, Return on Equity and Return on long term fund. An attempt has been made to measure the profitability performance of major cement manufacturers in the light of said financial indicators.

RESULTS AND DISCUSSION

The table-1 exhibits the list of 5 major players of cement industry considering their 6 profitability ratios. The estimated profitability ratios are ascertained on the basis of simple average value for the 5 successive financial years from 2010 to 2015.

Table-1 contains the financial data of five cement manufacturing firms.

TABLE 1: PROFITABILITY RATIOS OF MAJOR CEMENT COMPANIES

Sl. No.	Name of Company	Avg. Operating Profit Margin (%)	Avg. PBIT Margin (%)	Avg. Net Profit Margin (%)	Avg. ROCE (%)	Avg. ROE (%)	Avg. Return on Long Term Fund (%)
1	UltraTech Cement	20.586	15.242	11.278	17.046	14.566	17.554
2	ACC	15.932	10.664	9.564	17.936	13.594	17.946
3	Ambuja Cements	20.408	14.262	13.068	18.852	13.246	18.852
4	Shree Cement	25.172	11.646	10.894	17.758	16.814	19.26
5	India Cement	15.712	9.42	1.892	7.448	2.164	8.404

Serial Number has been done on the basis of Total Income during 2010-15.

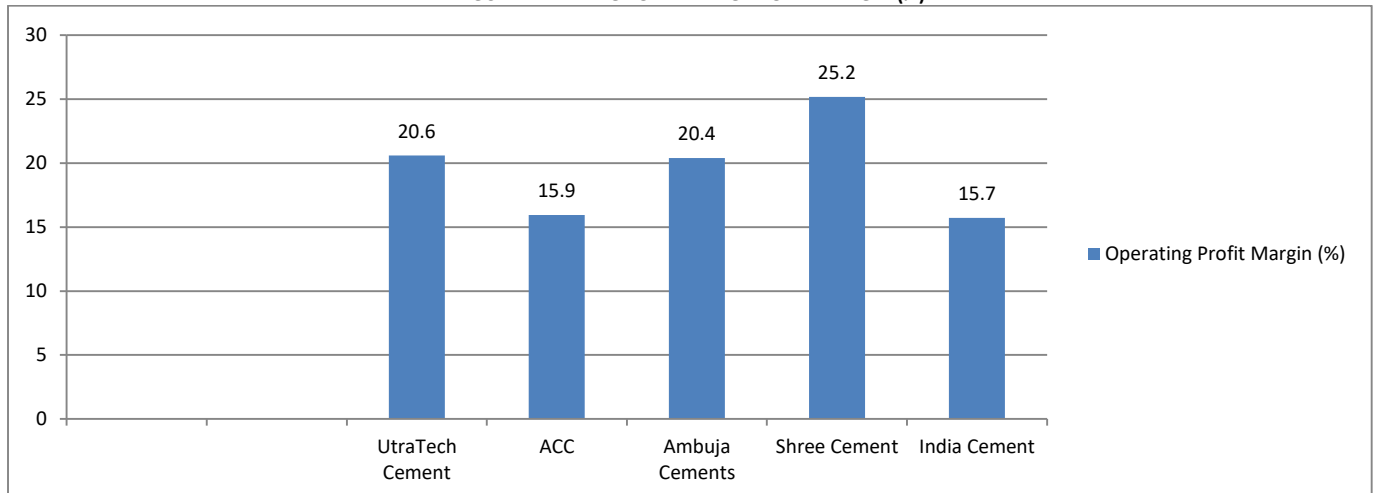
The industry shows significant variation across firms in terms of all Profitability ratios.

1. OPERATING PROFIT MARGIN

Operating Profit Ratio establishes the relationship between operating Profit and net sales. Higher operating ratio indicates that the firm has got enough margins to meet its non operating expenses well as to create reserve and pay dividends. It can be computed as follows:

Operating Profit Ratio = Operating Profit / Sales × 100

FIGURE 1: AVERAGE OPERATING PROFIT MARGIN (%)



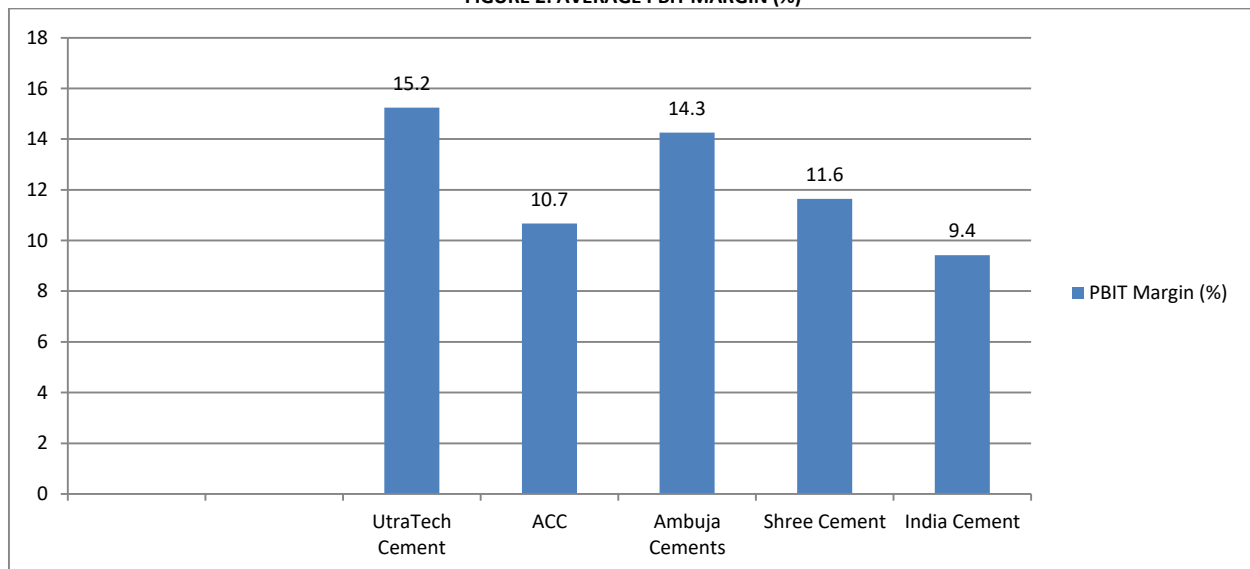
The Figure 1 indicates that the Shree Cement has the highest Average Operating Profit margin of 25.2%, UltraTech Cement comes at the second place with an average operating profit margin of 20.6% while Ambuja Cement ranks third with 20.4% Average Operating profit margin which is marginally low to UltraTech Cement. Whereas ACC and India Cement comes on fourth and fifth place with % Average Operating Profit of 15.9% and 15.7% consecutively.

2. PBIT MARGIN

PBIT Ratio is useful to compare multiple companies, especially with in a given industry, and it also helps to evaluate how a company has grown over time. The PBIT Margin is defined as:

PBIT Margin = (Operating Profit + Other Income) / Sales × 100

FIGURE 2: AVERAGE PBIT MARGIN (%)



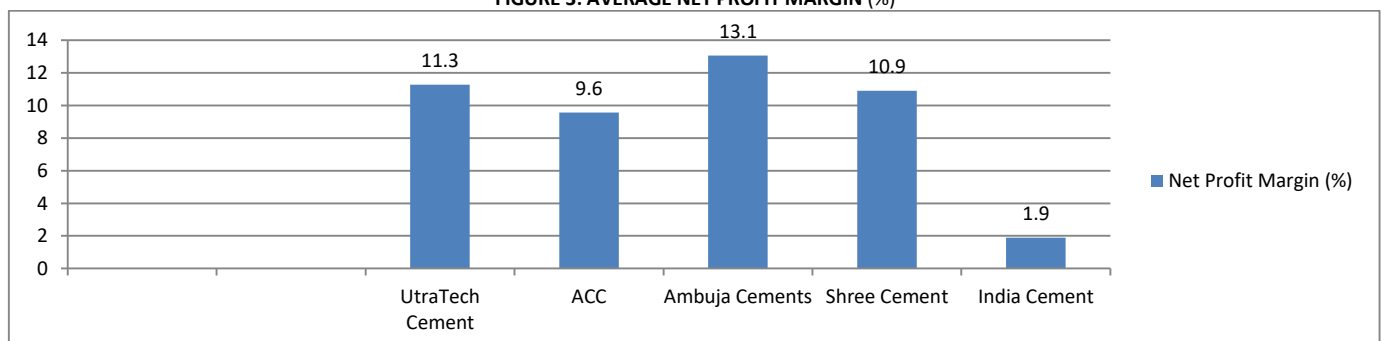
As seen in the above Figure-2, the average PBIT margin of UltraTech Cement is slightly ahead with 15.2% to the Ambuja Cement with 14.3%. While highly competition between Shree Cement, ACC and India Cement for the third, fourth and Fifth Rank.

3. NET PROFIT MARGIN

This ratio establishes the relationship between net profit and net sale. It indicates managements' efficiency in manufacturing, administering and selling the product. A firm with high net profit margin would be in an advantageous position to survive in the face of falling selling prices, rising cost of production or declining demand for the product. It is calculated as a percentage of sales. It is computed as under:

Net Profit Ratio = Net profit / Net Sales × 100

FIGURE 3: AVERAGE NET PROFIT MARGIN (%)



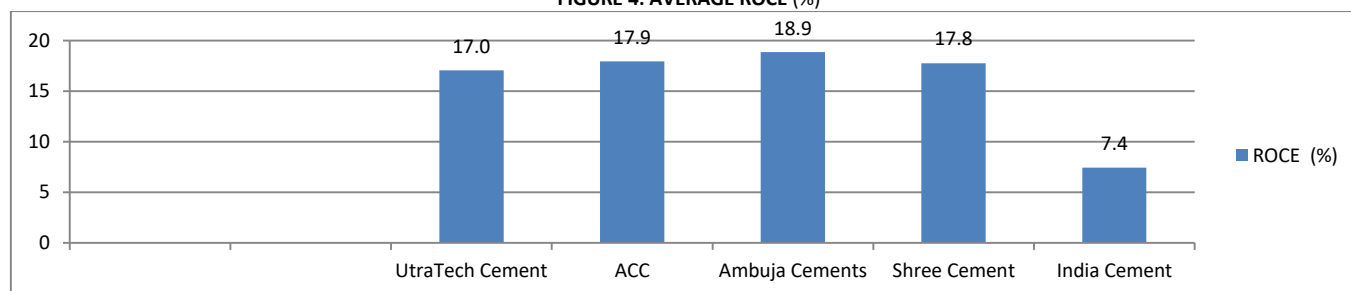
The Figure 3 indicates that the Ambuja Cement which has the highest average Net Profit Margin of 13.1%. UltraTech Cement, Shree Cement and Acc are quite competitive with Average Net Profit margin of 11.3%, 10.9% and 9.6%, but India Cement is out of the competition and far behind to the rest with Average Net Profit of 1.9%.

4. RETURN ON CAPITAL EMPLOYED

Return on capital employed is the indicator of the operational efficiency of the company. It measures how much investors are earning on the capital they have invested in that business. Return on Capital Employed is a performance measure and it indicates how much return is generated from Invested Capital. The return on capital Employed is defined as:

$$\text{ROCE} = [\text{Profit after Tax} + \text{Interest}] / \text{Net Capital Employed} \times 100$$

FIGURE 4: AVERAGE ROCE (%)



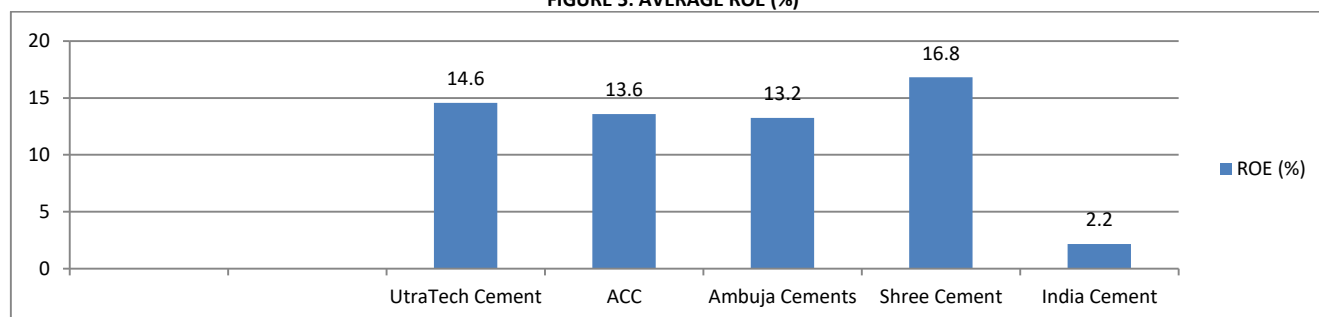
The Figure 4 indicates cut-throat competition between top four companies, leading with Ambuja Cement followed by ACC, Shree Cement and UltraTech Cement with Average Return on Capital Employed (ROCE) by 18.9%, 17.9%, 17.8% and 17% consecutively. On the other hand India Cement is far behind with 7.4% Average Return on Capital Employed (ROCE).

5. RETURN ON EQUITY

The Return on Equity ratio is perhaps the most important of all the financial ratios to investors in the company. It measures the return on the money the investors have put into the company. In general, the higher the percentage, the better, with some exceptions, as it shows that the company is doing a good job using the investors' money. The return on net worth is defined as:

$$\text{ROE} = \text{Net Profit} / \text{Share Holders Fund} \times 100$$

FIGURE 5: AVERAGE ROE (%)



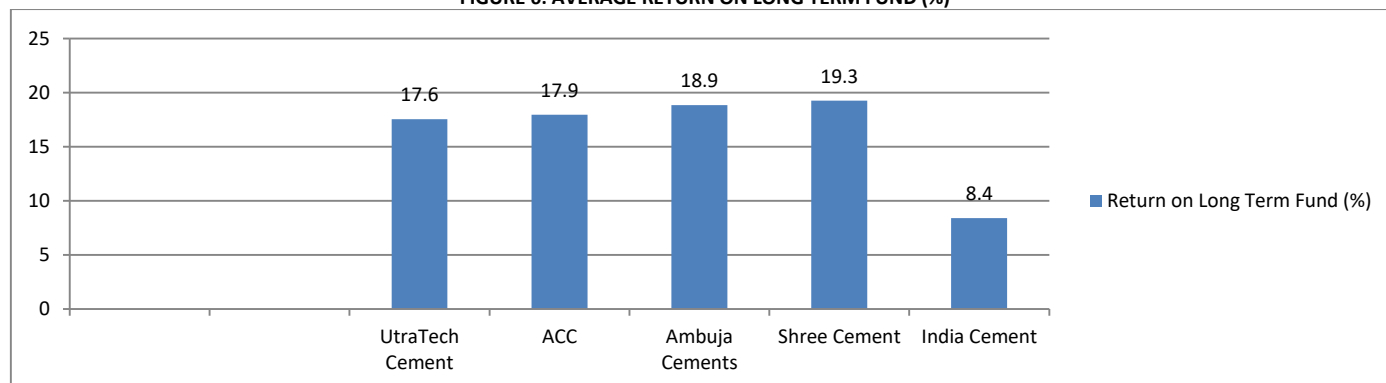
The Figure 5 indicates that the Return on Equity of Shree Cement has grown strongly with an average Return on Equity of 16.8% which is the highest in the industry, but UltraTech Cement, ACC and Ambuja Cement also has good presence in the market with 14.6%, 13.6% and 13.2%. While once again India Cement is far behind with 2.2% Average Return on Equity.

6. RETURN ON LONG TERM FUNDS

Return on Long term funds establishes the relationship between net profit and the long term funds. It tells us that earning of the company which reflects operating condition of the firm. The term long-term funds refer to the total investment made in business for long term. It is calculated by dividend earnings before Interest and Tax (EBIT) by the total long term funds. The return on Long term funds is defined as:

$$\text{Return on Long term fund} = \text{EBIT} / \text{Long term Fund} \times 100$$

FIGURE 6: AVERAGE RETURN ON LONG TERM FUND (%)



The Figure 6 indicates that the Shree Cement shows highest soundness of return on long term fund with an average of 19.3%. Ambuja cement, ACC and UltraTech Cement is much closer to Shree Cement with an average Return on Long Term Fund of 18.9%, 17.9% and 17.6% consecutively, while like always India Cement comes at fifth place with an Average Return on Long Term Fund of 8.4% only.

7. CONSOLIDATED PROFITABILITY PERFORMANCE

The Table-2 exhibits the consolidated profitability performance of five major cement companies to illustrate their individual position.

TABLE 2

Company	Rank as per Profitability Ratio						Total	Ultimate Rank
	Avg. Operating Profit Margin	Avg. PBIT Margin	Avg. Net Profit Margin	Avg. ROCE	Avg. ROE	Avg. Return on Long term Fund		
UltraTech Cement	2	1	2	4	2	4	15	3
ACC	4	4	4	2	3	3	20	4
Ambuja Cements	3	2	1	1	4	2	13	2
Shree Cement	1	3	3	3	1	1	12	1
India Cement	5	5	5	5	5	5	30	5
The ultimate Rank has been calculated taking lower the aggregate of the individual Rank								

FINDINGS

1. Among the top five Cement companies selected for the study Shree Cement was having the highest Operating Profit margin of 25.2% as per last five years' performance. UltraTech Cement was at the second place with operating profit margin of 20.6%.
2. In the area of Profit before Interest and Tax, UltraTech Cement was in the top most position among the five cement companies with 5 years average of 15.2%. Ambuja Cement was in the second place in average PBIT margin 14.3%.
3. In Net Profit Ratio, Ambuja Cement was the best performer, as it had the highest average Net Profit Margin of 13.1%. Thus, it had chances of earning higher profits. UltraTech Cement came at the second position with 11.3%.
4. Among the top five leading cement manufactures of India, cut-throat competition was found in top four companies in terms of Return on Capital Employed, leading by Ambuja Cement with 18.9%, followed by ACC with 17.9%, Shree Cement with 17.8% and UltraTech Cement with 17%.
5. In the area of Return on Equity, Shree Cement was the best performer among the leading cement manufacturers, as it had grown strongly with a 5-year average of 16.8%. Thus, it had a potential return on the money for the investors have put into the company.
6. The Return on long term fund was highest for Shree Cement with 5-year average of 19.3%. Thus; Shree Cement shows highest soundness among the top five companies. Ambuja Cement was much closed to Shree Cement with an average return of 18.9%.
7. The study revealed that Shree Cement was in the highest profitability position during the study period compared to other industry players.

CONCLUSION

The companies selected for the study shows that the industry is somewhat doing well as far as profitability ratios are concerned. It is notable that the operational efficiency of Shree Cement. It also has second highest profitability position based on ultimate rank. The other major performer is UltraTech Cement which ranks third position during the study period, where as ACC enjoying fourth position. However, the profitability performance of India Cement is less satisfactory in comparison with the other players in the industry.

REFERENCES

1. Banerjee, D. (2007). *"Modern Accounting Theory and Management Accounting"*. Kolkata: Book Syndicate Pvt. Ltd., pp. 596-599.
2. Dharmaraj, C., Samuel Joseph, C. and Santosh, E. (2011). *"Testing the Performance of Leading Banks in India - An Experimental Study."* Indian Journal of Finance, Vol.5, No.11, pp. 23-33.
3. Dr. Shishir Pandey and Vikas Kumar Jaiswall (2014) *"Comparative Study of Profitability Analysis of Indian Aluminium Industries between Public and Private Sector"* GE International Journal of Management Research Vol. 2, Issue 12, December 2014. pp.143-150.
4. Dr.M. Thygarajan and Mr J. Uday Kumar (2015), *"Profitability Analysis of Selected Aluminium Companies in India"* Indian journals of Applied Research Vol. 5, Issue 4, April 2014. pp. 807 - 809.
5. <http://www.ibef.org/industry/cement-presentation#>
6. <http://www.moneycontrol.com/financials/acc/ratios/ACC06#ACC06>
7. <http://www.moneycontrol.com/financials/ambujacements/ratios/AC18#AC18>
8. <http://www.moneycontrol.com/financials/indiacement/ratios/IC#IC>
9. <http://www.moneycontrol.com/financials/shreecements/ratios/SC12#SC12>
10. <http://www.moneycontrol.com/financials/ultratechcement/ratios/UTC01#UTC01>
11. Kapil, S. (2011). *"Financial Management"*. Dorling Kindersley (India) Pvt. Ltd., pp. 120-136.
12. Mohan Kumar, Safeer Pasha, Bhanu Prakash. (2015). *"Profitability Analysis of Selected Cement Companies in India."* International Journal of Multidisciplinary Research and Modern Education, Vol. 1, Issue II, 2015 pp. 95-99.
13. Parth Ghosh. (2014). *"Inter firm Profitability Analysis of Indian Tyre Industry: A study during the period 2008-09 to 2012-13."* International Journal of Commerce, Business and Management, Vol. 3, No. 4, August 2014.pp. 533-542.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

