

INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & 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 Inlibnet of University Grants Commission (U.G.C.)],

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.	BRAND MANAGEMENT OF SCHOOLS <i>ANJALI TRIVEDI & DR. SHRADHA M. BANGA</i>	1
2.	FACTORS INFLUENCING CONSUMER BUYING BEHAVIOUR OF REFRIGERATOR: AN EMPIRICAL STUDY <i>SUNITA RATH, D. P. MISRA & U. C. PATTHNAIK</i>	5
3.	KNOWLEDGE MANAGEMENT AND INTELLECTUAL PROPERTY MANAGEMENT AS STRATEGIC BUSINESS TOOLS: AN ANALYSIS <i>ARUNIMA K. V. & DR. P. PAKEERAPPA</i>	9
4.	DENTAL CARE HABITS OF RURAL CONSUMERS IN TELANGANA <i>G RAVIKUMAR & P. BHEEMAIAH</i>	13
5.	A STUDY ON CUSTOMERS' PERCEPTION TOWARDS MARKETING MIX STRATEGIES ADOPTED BY RURAL RETAILERS IN COIMBATORE DISTRICT <i>A. MARTIN JAYARAJ & DR. A. DHARMARAJ</i>	16
6.	IMPACT OF CAPITAL STRUCTURE ON COST OF CAPITAL AND VALUE OF FIRM: AN EMPIRICAL STUDY OF CEMENT INDUSTRY IN INDIA <i>MOHAN KUMAR M.S., DR. T. ASWATHA NARAYANA & SURAJ M.</i>	20
7.	APPLICATION OF MULTIMEDIA DATA MINING TECHNOLOGY IN DIGITAL LIBRARY SYSTEM <i>DR. RAKESH KUMAR MISHRA</i>	24
8.	FORMAL REALIZATION OF CASE RELATIONSHIPS IN ODIA <i>DR. RANJAN KUMAR DAS & DR. GOVINDA CHANDRA PENTHOI</i>	26
9.	STUDY OF ACADEMIC ACHIEVEMENT OF ADOLESCENT STUDENTS IN RELATION TO THEIR FAMILY CLIMATE AND AGGRESSION <i>GURKIRAN KAUR</i>	30
10.	IMPACT OF ONLINE SERVICES & SCHEMES OFFERED BY ING VYSYA BANK MERGED WITH KOTAK MAHINDRA ON CUSTOMERS <i>DR. ARCHANA DADHE</i>	34
11.	MERGERS AND ACQUISITIONS IN INDIA AND ITS SHORT TERM IMPACT ON SHAREHOLDERS WEALTH <i>AMISH BHARATKUMAR SONI</i>	41
12.	RELATIONSHIP BETWEEN GOVERNMENT REVENUE GROWTH AND ECONOMIC GROWTH IN ETHIOPIA <i>BIRUK BIRHANU, WONDAFERAHU MULUGETA & TEMESGEN YAEKOB</i>	47
13.	NON PERFORMING ASSETS MANAGEMENT OF KERALA FINANCIAL CORPORATION (KFC) <i>DR. C. SANKAR & VINOD K. RAJU</i>	55
14.	INFLUENCE OF TELEVISION ADVERTISING ON PURCHASE DECISION MAKING OF FMCG PRODUCTS <i>NANDAKUMAR.P, MANNIL JAMES JANSO & G. GOPIKA</i>	62
15.	A STUDY ON CONSUMER'S ATTITUDE TOWARDS EMERGING TREND OF MOBILE ADVERTISING IN KERALA <i>AKHILA VENUGOPAL, CHAITHRA M & GIRISH S</i>	66
16.	IMPACT OF BRAND AWARENESS ON CONSUMER/BRAND LOYALTY: A STUDY OF PACKAGED MILK BRANDS IN SURAT CITY, GUJARAT <i>DR. REENA CHHAJED</i>	70
17.	FACTORS AFFECTING EMPLOYEE RETENTION: A CASE STUDY OF SOFTWARE COMPANIES IN BANGALORE CITY <i>K. PAVAN & DR. T. L. NARASIMHA REDDY</i>	76
18.	CORPORATE SOCIAL RESPONSIBILITY: ITS IMPACT ON THE DEPOSIT MONEY BANKS IN NIGERIA – A CASE STUDY OF GUARANTY TRUST BANK NIGERIA <i>IBRAHIM MOHAMMED GADDAFI</i>	82
19.	CORPORATE REPORTING THROUGH XBRL <i>BHAVNA DABHI</i>	86
20.	INTELLECTUAL PROPERTY AND MORAL RIGHTS <i>ARPITA NARAYAN</i>	89
	REQUEST FOR FEEDBACK & DISCLAIMER	93

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. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

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

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. PARVEEN KUMAR

Director, M.C.A., Meerut Institute of Engineering & Technology, Meerut, U. P.

PROF. H. R. SHARMA

Director, Chhatrapati Shivaji Institute of Technology, Durg, C.G.

PROF. MANOHAR LAL

Director & Chairman, School of Information & Computer Sciences, I.G.N.O.U., New Delhi

PROF. ANIL K. SAINI

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

PROF. R. K. CHOUDHARY

Director, Asia Pacific Institute of Information Technology, Panipat

DR. ASHWANI KUSH

Head, Computer Science, University College, Kurukshetra University, Kurukshetra

DR. BHARAT BHUSHAN

Head, Department of Computer Science & Applications, Guru Nanak Khalsa College, Yamunanagar

DR. VIJAYPAL SINGH DHAKA

Dean (Academics), Rajasthan Institute of Engineering & Technology, Jaipur

DR. SAMBHAVNA

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

DR. MOHINDER CHAND

Associate Professor, Kurukshetra University, Kurukshetra

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

DR. BHAVET

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

ASSOCIATE EDITORS

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PROF. NAWAB ALI KHAN

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

ASHISH CHOPRA

Sr. Lecturer, Doon Valley Institute of Engineering & Technology, Karnal

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.**

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>

BRAND MANAGEMENT OF SCHOOLS

ANJALI TRIVEDI
CHAIRPERSON
KARL HUBER SCHOOL
NOIDA

DR. SHRADHA M. BANGA
ASST. PROFESSOR
SCHOOL OF BUSINESS STUDIES
SHARDA UNIVERSITY
GREATER NOIDA

ABSTRACT

Branding technically means anything or any object by which an impression is made. Like any other Business organization even the Private schools need a Branding to increase enrolment, retain staff, students & gain profit out of the Business they are into. Ethically it would be wrong to categorize Education in the field of Profit making organization, but with the change in time & the growing competition, FDI's entering the field of education so much money is involved that it has become an industry where all corporate formulas are applied to make things work. This paper tries to underline the factors, which create an effective way to create a Brand for the school. The paper looks into the reputation of the school from the Perspective of the teachers & the parents. Branding gives particular information about the organization, goods or service, differentiating it from others in marketplace. Brand carries an assurance about the characteristics that make the product or service unique. A strong brand is a means of making people aware of what the company or organization represents and what are its offerings.

KEYWORDS

brand management, crisis management, quality of teachers, reputation of school.

INTRODUCTION

The process of maintaining, improving, and upholding a brand so that the name is associated with positive results. Brand management involves a number of important aspects such as cost, customer satisfaction, in-store presentation, and competition. Brand management is built on a marketing foundation, but focuses directly on the brand and how that brand can remain favorable to customers. To build a reputation of any organization or Institute an Efficient PR (Public Relation) has to be created. For schools especially the reputation is made either by word of mouth or by massive advertising to create an awareness about the school. The first thing that the Parents need to know is the existence of the school. Research shows a good number of Parents especially in the urban areas do lot of research before choosing a school for their child. They get to know about the school through:

- Websites.
- Advertisement-Hoardings, Newspaper, Magazines, Pamphlets, Cable T.V. etc.
- By word of Mouth-Friends, Relatives, Students already going to school.
- Sponsorship of Events.

Every Parent have different criteria while choosing the school for their child some would be looking for academics & some would prefer an all-round development of their child. Similarly, for the teachers while seeking a job to teach they also have various concerns regarding which school they would like to teach in, what are the features they are looking into before applying for a job. The school Management engages in many promotional techniques to create an awareness of their school. It is very important for the schools to have an attractive website which is easily accessible to the Parents. A well designed website with the required information appeals to the Parents. Care should be taken for the regular updating of the website as well as monitoring the functioning of the same. Sponsoring events also builds up the Brand of the school. Many people come to know about the existence of the school. Sponsoring sports competition, Health awareness camps, painting competitions etc. are a source of productive advertisement. The school Management has to adopt various approaches to create a Brand of their institute:

The Economical Approach-how much they are willing to spend on the promotion.

The Consumer Approach-what the parents are expecting from the school.

The Community Approach-How the society perceives the functioning of the school.

LITERATURE REVIEW

Not much Research has been done in the field of Brand Management of the school but whatever little has been done throws light on how the internal relationship in an organization or Institute builds up the reputation of the school. The focus is on the teacher-teacher relationship or the Teacher-Parent relationship. However, it cannot be ignored that the external factors too affect the reputation of the school.

A paper titled: Identifying School Reputation by Mahmud Sagir, Izzet Dos and Remzi B. Cetin aims to investigate whether schools have a particular type of reputation the literature reveals that the precise nature of the relationships that exist between reputation and image and the understanding of their effect on customer behaviour remains a key challenge for both academia and management alike (Nguyen and Leblanc, 2001). Another factor which affects the level school reputation is the location of the school because of the fact that local environment plays a great role on students and their parents' socio-economic situation which also shapes expectations and satisfaction level. Reputation mediates students and teacher's preferences. Building Trusting Relationship for school improvement: Implications for Teachers & Principal by Cori Brewster This paper examines the issue of trust within the context of school improvement, looking specifically at teacher- teacher and teacher-principal relationships. Relationships among teachers and principals, in particular, are being held out as important indicators of a school's or district's readiness for reform and ability to sustain it.

Not much research has been carried out with regards to the external factors which form an opinion about the school. This paper will try to fill in the gaps & also try to find out the requirements of the teachers & parents from the school.

OBJECTIVES

1. To find out from the Parents of school going children what are the features they look for in a school before admitting their child.
2. To find out from the teachers what the features are they look for in a school before applying for a job.

RESEARCH DESIGN

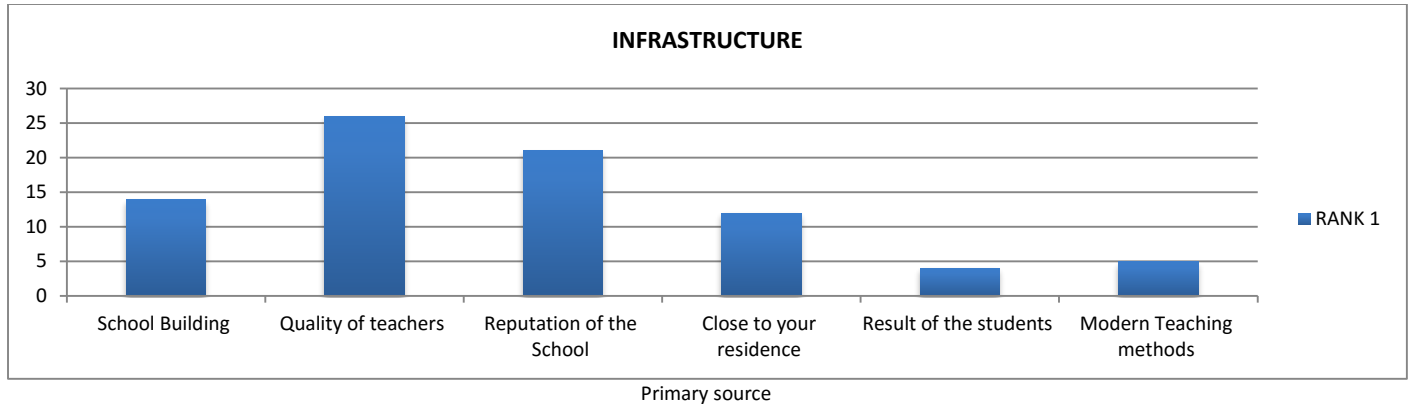
The primary data has been collected in the year 2015 from 76 Parents & 86 teachers in Secondary & senior secondary level schools both in the NCR & a Government aided school in Kanpur which is a two tier city. A self-made structured questionnaire was used by considering different anxiety dimension like economic background, educational background, nature of curriculum and teaching strategy.

DATA ANALYSIS/RESULT

1. In the first question the parents were asked what are the facilities that they look for in a school while admitting their child? They were asked to rank their preferences from 1-6. The options given to them were:

- School Building
- Quality of Teachers
- Reputation of the School
- Close to your residence
- Merit/Result of the students
- Modern Teaching methods

FIGURE 1: PREFERENCE OF THE PARENTS



Maximum number of Parents chose **Quality of Teachers** as their preferred first choice while admitting their child in a school. Indeed, it is very important for any school to have trained & qualified teachers. The basic idea of sending a child to school is to train him to perform better in life not only in studies but also all round growth & grooming of the child is a must. In a school there is a direct interaction between the students & teachers. The teachers and their way of teaching influence the students. They look up to their teachers with a feeling of trust & respect. It is therefore very important for the school Management to have efficient & competent teachers in the school, as this is the very base to have admissions in their school.

The second rank was given to **The Reputation of The school**. A reputation of any school is built on various features; it depends on the quality of students, quality of teachers, Management, Board being followed, Infrastructure, The result or sports performance of the students, Popularity of the school etc. It is through word of mouth or through advertisement the parents come to know about a school. They definitely keep in mind these factors before admitting their child in any school. It takes years to build up the Brand of the school, the Management along with its staff have to really work hard in this direction. During admissions this is the factor, which Parents look forward to and form an opinion about the school.

The third rank was given to **School Building**: Building forms the Infrastructure of the school. Some Parents do go in for the looks of the school. Whether the school has huge playgrounds, well-equipped modern classroom. In today's digital world the Parents expect the classrooms to be modern with sufficient audio-visual aids. In some special cases the Parents also look whether the school is handicap friendly or not. This is a feature, which has been introduced in the New Education policy where the schools are directed to provide facilities to the disabled/differently abled students.

Under the concept of Inclusive Education, the government has directed the schools to give equal opportunities & facilities to all students. No student can be denied admission on the grounds of disability.

The school should also be well prepared in case of any disaster, like Earth Quake or fire. Remedial provisions should be available in the school for the safety of the students. The government has also prepared guidelines for the school Management for the security of the children after fulfilling certain formalities regarding safety they are given the No Objection Certificate (NOC) to run the school.

The fourth rank was given to the option **Close to your Residence**: It is an important feature which the Parents neglect. They go in for the reputation of the school rather than the nearness of the school to their residence. All schools as well as the government promotes the idea of admitting the child in the school which is near to their house. It spares the child from the hassle of long commuting hours. But some Parents are very conscious about their own standard & status, they desire to provide their best to their child. This forces them to look out for a school with a better reputation rather than choosing the one, which is near to their house. Most of the schools also encourage the Parents to admit their child in the school near to their house. Special reservations are made for the students living in the vicinity of the school. The schools as well as the Government promotes the idea of admitting the children in a nearby school.

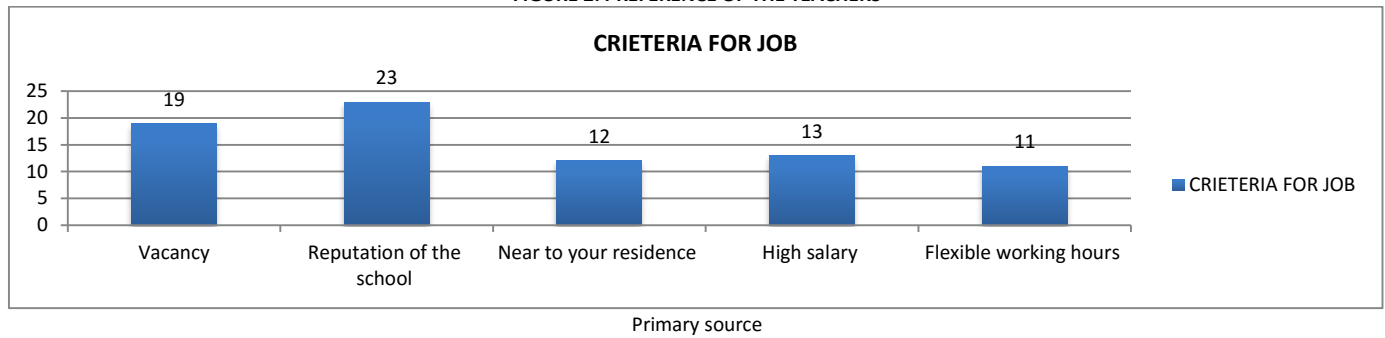
The fifth rank was given to **Modern Teaching Methods**: It can be assumed that the Parents were not aware of the modern teaching that the Parents were not aware of the modern teaching methods with the use of modern tools & a more Digitized format of teaching. Therefore, a very low rank was given to this option. Parents are not directly affected by the teaching methods, as it is the students who are in direct contact with the teachers and their method of teaching. Parents are more concerned about the result & performance of the child.

Lastly the sixth rank was given to **The Merit/Result of the students**: This again came as a surprise and it can be assumed that the Parents believed in the individual performance of the students. No comparisons were made between the students. The reputation or name of any school is built by its result & the performance. But the response of the Parents came as a surprise as they ranked the Result as the lowest criteria in a school while admitting a child. It definitely shows that what matters to the Parents is the overall development of the child. The Parents are interested in making their children street smart & worldly wise along with good academic performance.

2. In the second question the teachers were asked to rank their criteria of choosing a school for job. The options given to them were:

- Vacancy
- Reputation of the school
- Near to your residence
- High salary
- Flexible working hours

FIGURE 2: PREFERENCE OF THE TEACHERS



Reputation of the school: This was ranked as the top criteria of choosing the school for job. It is indeed important to work in a reputed school as it makes the job more interesting and satisfying. Reputation is a mix of good administration, good Management, Better standard of students, efficient teachers, better pay packages, attractive infrastructure etc. The teachers definitely keep these factors in mind before applying for a job in any school.

Vacancy: A teacher applies for a job in the school in case there is a vacancy. This was ranked as the second option in the criteria for applying for a job. Teachers come to know about the job requirements through advertisement or through word of mouth. The first step they take towards teaching is applying for a job in case of a vacancy.

High Salary: This was also a criteria presented to the teachers but not many chose this option it ranked third in the list. Teaching is a passion driven profession one can become a good teacher only if he/she has the drive to teach, it is called a noble & respectful profession. Though high pay packages both in government as well as public schools are welcomed but it cannot be considered as the barometer for better teaching by the teachers.

Near to your Residence: Though not many teachers chose this option as they were not very concerned about the distance to their work place from their residence. To some it would matter as they would consider the prospect of a nearby working place which saves them time. In other cases the provision of school transport makes it convenient for the teachers to commute therefore distance does not matter to them.

Flexible working Hours: This was ranked as the least important criteria for choosing a school to work. Working hours in almost all the schools are same until & unless it is a Day Boarding or a Long Hour Boarding school. The teachers are well aware of the school timings therefore they did not give much emphasis to the working hours of the school.

RECOMMENDATIONS/SUGGESTIONS

From the above survey it can be clearly analyzed that it is the Quality of teachers which is the priority of the parents while admitting their child in the school & it is the reputation of the school which makes a teacher decide on the job selection in a school. The Parents being the customers have to be fully satisfied with the services they are expecting out of the school.

1. Creating a PR (Public Relation) Team: Like any other corporate organizations the schools are hiring/recruiting PR teams to promote their schools. Much importance is given to highlight the features & Infrastructure of the schools. Recent years have seen the affiliation of foreign educational institutes, which attracts the Parents & something unique is expected out of it. The PR team works on this theme & works towards Brand Building of the organization. The other factors which contribute to the Brand building of the school are:

- School logo
- School Moto
- School Uniform
- School Transport—School Buses with the School name.
- School Stationary

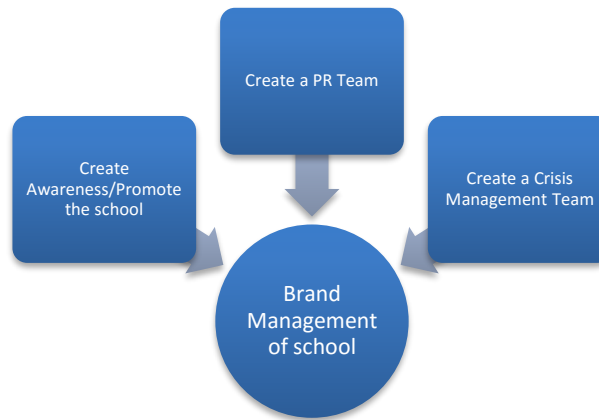
2. Crisis Management Team: It takes years to build Reputation of any organization or school but it can take few minutes or one incident that can kill the reputation of the school. The incidents can be:

- Natural-Earthquake, Flood
- Accidental-Injury to a student, School Bus Accident, Fire etc.
- Terrorist attack
- Misbehavior of any Teacher towards the students or Parents
- Internal Politics or fight between the staff members.

The main expectation of the parents from the school is to ensure the safety & security of their child. Not much can be done about the natural disasters except be prepared for the aftermaths, proper first aid facilities, managing the casualties etc. are required. A restoration plan makes it handy to deal with the casualties & the panic stage can be avoided. With the growing incidences of terrorist attacks, special training should be given to the staff & students to protect themselves in such a case. Appropriate measures to handle such situation should be there. The crisis management team should be ready for handling such a situation. The students should be prepared to react in such a situation. Mock drills should be conducted in the school to prepare the students to save themselves in such a situation. An exit plan/route should be explained to the students to make themselves secure. Accidents occurring due to the negligence of the school authorities are the hardest one which can really affect the reputation of the school. With the media being so agile & active the school can really get a bad name in certain cases. The Crisis Management team should be efficient enough to handle such situations & not let the Brand of the school be destroyed. Under such a situation:

- Transparency about the incident should be maintained by the school Management.
- Accept if guilty
- Take time to present facts before the media.
- Not to avoid the media
- Primary concern should be the safety of the victim.

FIGURE 3: CREATING A BRAND OF THE SCHOOL



Mentoring of the Government schools by the Private schools falling within the radius of 5 KM. This can include exchange programs of the students as well as the teachers. This could also raise the bar of social equality in education. The Private School Management could guide the Government schools in restructuring their institute. Give tips for better Management. The teachers could hold a workshop for the Government school teachers and update them with the latest technologies. Some private schools can also arrange for funds for the school equipment in the labs, libraries, sports kit etc. The exchange program could also include sports matches between these schools. This would definitely narrow the gap between the different categories of school. The burden on the government would also lessen. They would be well informed about what is lacking & what are the areas of concern in the Government schools & they can work on improving them. This is also an important tool for the School Management to promote their Brand by doing some philanthropy work they can gain reputation as well as do something beneficial for the schools not performing well. In fact, it can be made mandatory for the Private schools to adopt government schools which are not performing well.

CONCLUSION

All the above-mentioned points in some way or the other are useful to the school Management to create a Brand for itself. Applying the above-mentioned points can create a successful model of a school. Age old techniques of teaching, Management, Learning would not work in the current scenario. Methods have to change, new technology has to be implemented. Effective Marketing highlighting the features the parents are looking for in a school increases admissions in the school. Ethical ways during the admission process as well as while recruiting teachers shows positive result in the future. Proper utilization of Government policies & explaining them to the parents, Teachers & students causes less confusion. The government policies too should be firm & transparent. There should be no scope of corruption in this field. Care should be taken that the new policies are for the benefit of the students, the views of school, Parents & teachers should also be considered before announcing any new reform. Frequent changes in policies should be avoided. Special care should be taken towards Inclusive Education. The schools should follow the guidelines laid by the Ministry in this context & it becomes the duty of the Government personnel to keep a vigilance of whether the policies are being implemented or not.

Digitization in Education is growing at a fast pace. Most of the schools are almost completely Digital in their working but majority of them are far from the target. Special reforms have to be brought in the Government schools & the schools in the Rural areas. With proper Infrastructure this target too can be achieved & equality in education for all can be reached.

REFERENCES

1. *Building Trusting Relationships for School Improvement: Implications for Principals and Teachers*, CORI BREWSTER, JENNIFER RAILSBACK. Office of Planning & Service Coordination September 2003 NORTHWEST Regional Educational Laboratory.
2. *Identifying School Reputation* by Mahmur Sagir, Izzet Dos and Remzi B. Cetin Kahramanmaras Sutcu Imam University, Turkey International J. Soc. Sci. & Education 2014 Vol. 5 Issue 1, ISSN: 2223-4934 E and 2227-393X Print

FACTORS INFLUENCING CONSUMER BUYING BEHAVIOUR OF REFRIGERATOR: AN EMPIRICAL STUDY

SUNITA RATH
RESEARCH SCHOLAR
DEPARTMENT OF BUSINESS MANAGEMENT
F.M. UNIVERSITY
BALASORE

D. P. MISRA
PROFESSOR
DEPARTMENT OF BUSINESS MANAGEMENT
F.M. UNIVERSITY
BALASORE

U. C. PATTNAIK
FORMER PROFESSOR
DEPARTMENT OF COMMERCE
BERHAMPUR UNIVERSITY
BERHAMPUR

ABSTRACT

Marketers of goods and services usually carry out marketing research on consumer behavior and accordingly prepare the marketing program to suit the needs and requirements consumers. However, the marketing research in the context of consumers differs when it comes to urban vs. rural or durable products vs. FMCGs. In this connection, apart from 4 P's of marketing i.e. product, price, promotion and place, the marketers have to give special attention to 4 A's i.e. awareness, acceptability, affordability and availability of the goods and services because they play a vital role in the era of severe competition among the companies. In this paper, the researchers tried to bring out the important factors that influence the purchase decision of refrigerators by the consumers of Bhubaneswar city, the state capital of Odisha.

KEYWORDS

consumer behaviour, FMCD, purchase decision, refrigerator.

1. INTRODUCTION

It is quite frequently observed that the buying behaviour of the customers has been a key area of focus for all the marketers. Especially, when we talk about the Fast Moving Consumer Durables (FMCD) market the customers display an unusual type of behaviour. They become more selective and also do a lot of research before purchasing a product. In this paper an attempt has been made to study the buying behavior of the consumer in FMCD product segment with a focus to the refrigerator market. The study has been conducted in the Bhubaneswar market with randomly selected 250 respondents from various locations of Bhubaneswar city. The data has been collected through a well-structured questionnaire and also tested for reliability and adequacy by applying KMO test and Bartlett's test. This paper has adopted the factor analysis approach to identify the major factors that mostly affect the buying behavior of the refrigerator customers in Bhubaneswar city.

2. LITERATURE REVIEW

The consumer behaviour has been an interesting and important topic of research both for the marketers as well as for the academicians. One of the common views is that to have an idea about the consumer behaviour has become a key factor that has a direct bearing on the overall performance of the businesses (Kotler and Keller, 2012). Another view suggests that understanding consumer behaviour has become a significant activity especially due to fierce competition in retail industry worldwide (Lancaster et al, 2002). By the study of consumer behavior we can learn, the way how the individuals, groups or organizations select, purchase, use and dispose the products and we can analyze the factors such as their previous experience, taste, price and branding on which consumers mostly rely on their purchasing decisions (Kotler and Keller, 2012). The most common models of consumer decision making process have been offered by Blackwell et al. (2006). According to them, the five stages of consumer decision making process are identification of problem/need recognition, information search, and evaluation of alternatives, purchase decision and post-purchase evaluation.

2.1. FACTORS AFFECTING CONSUMER BUYING BEHAVIOUR

It is found that the study of consumer buying behaviour is the outcome of the needs and wants of the consumers and they purchase goods and services to satisfy these needs and wants. Although it sounds simple and clear but these needs can be of various types depending on the personal factors such as age, psychology and personality etc. At the same time there exists some other external factors which are broad and beyond the control of the consumers.

A number of researches have been carried done by the academicians and scholars on identifying and making an analysis of those factors affecting the consumers' buying behaviour and which have helped to identify, various types of factors. These factors have been classified into different types and categories in different ways by different authors. For example, according to Wiedermann et al. (2007) they are internal and external factors. At the same time, Winer (2009) divided them into social, personal and psychological factors. They have been classified differently by different authors; they are similar to the scope and purpose of buying behaviour (Rao, 2007).

There is a long list of factors that affects consumer behaviour in different ways. These factors are divided by Hoyer et al. (2012) into four major categories: situational, personal, social and cultural factors.

Situational factors affecting consumer behaviour includes location, environment, timing and even weather conditions (Hoyer et al., 2012). With a view to get benefit from situational factors major retailers attempt to create an environment and situations in stores that motivate prospective customers to make purchase decision. Range of available tools to achieve such an outcome include providing relaxing music in stores, making arrangement for refreshing smells in stores and placing bread and milk products in super markets towards the end of stores to facilitate movement of customers throughout the store to make additional purchases etc. The short time nature of situational factors has been rightly analyzed by Batra and Kazmi (2008).

Personal factors, on the other hand, include the preferences, personal financial circumstances and related factors.

Lastly, social and cultural factors affecting consumer behaviour are related to cross-cultural differences amongst consumers on local and global scales. Culture has been defined as “the ideas, customs, and social behaviour of a particular people or society”

3. RESEARCH PROBLEM

In a city like Bhubaneswar the consumer durable market is growing at a rapid rate. The important thing is that the combination of the market is very complex which includes both the well-educated and informed customers from the city as well some illiterate consumers coming from various rural areas to Bhubaneswar for their livelihood. Under these circumstances, it becomes a great challenge for the marketers to formulate marketing strategies. This paper attempts to identify the various significant factors that have a major impact on the consumers buying behavior. Further, this would help to formulate the marketing strategies for FMCD products to generate an optimum sales turnover.

4. OBJECTIVE OF THE STUDY

The objective of the study is to identify various influential factors that affect the buying behaviour of the customers when they plan to purchase a consumer durable product specially refrigerator. Another objective of the study is to provide suitable suggestions so that the marketers can prepare the marketing programs to cater the needs of the consumers effectively.

5. RESEARCH METHODOLOGY

For the analysis of the consumer behavior pattern, for the study the sample size was of 250 respondents and was selected through convenience sampling method and information were collected from them on consumer’s behavior of white good (refrigerator) within the city of Bhubaneswar. 5-points Likert’s rating scale has been used for measurement. At first the data set has been tested for adequacy and non- co linearity by using KMO test and Bartlett’s test in order to test the reliability of the instrument. Then the data has been processed by applying Factor Analysis using Principal Component method. The factor analysis has also pointed out the significant factors that influence the buying behavior of consumers.

6. DATA ANALYSIS AND INTERPRETATION

The data analysis has been done with the help of the SPSS software version-20. The first test was the KMO test of data adequacy. The result showed the test value of 0.657 which is more than 0.6. This indicates that the data set above 0.5 is adequate for further analysis. The next is the Bartlett’s test of sphericity. The test result is significant indicating that the correlation matrix is an identifying matrix and the variables set are not related to each other. Therefore, the data set is adequate enough for further analysis.

TABLE 1: KMO AND BARTLETT’S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.657
Bartlett’s Test of Sphericity	Approx. Chi-Square	1595.554
	Df	190
	Sig.	.000

Factor analysis was done to identify the key factors influencing the consumer behaviour. Principal Component Analysis was the method of extraction. Varimax was the rotation method. As per the Kaiser criterion, only factors with Eigenvalues greater than 1 were retained. Six factors in the initial solution had Eigenvalues greater than 1. Together, they accounted for almost 61 percent of the variability in the original variables. The items falling under each of these factors were then dealt with quite prudently. Table-2 shows the Eigenvalues of the factors. Table-3 shows the extracted factors along with their factor loadings. It is followed by a scree plot (Figure-1).

TABLE 2: TOTAL VARIANCE EXPLAINED

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.456	17.282	17.282	3.456	17.282	17.282	3.337	16.685	16.685
2	3.276	16.380	33.661	3.276	16.380	33.661	2.880	14.401	31.086
3	1.834	9.168	42.829	1.834	9.168	42.829	1.811	9.053	40.139
4	1.430	7.148	49.978	1.430	7.148	49.978	1.691	8.454	48.593
5	1.212	6.058	56.036	1.212	6.058	56.036	1.326	6.628	55.222
6	1.040	5.201	61.237	1.040	5.201	61.237	1.203	6.015	61.237
7	.895	4.475	65.712						
8	.887	4.434	70.146						
9	.863	4.316	74.462						
10	.798	3.991	78.453						
11	.715	3.576	82.029						
12	.661	3.305	85.333						
13	.588	2.942	88.275						
14	.513	2.563	90.839						
15	.418	2.092	92.931						
16	.392	1.958	94.889						
17	.360	1.802	96.692						
18	.341	1.707	98.399						
19	.212	1.060	99.458						
20	.108	.542	100.000						

Extraction Method: Principal Component Analysis.

FIGURE 1

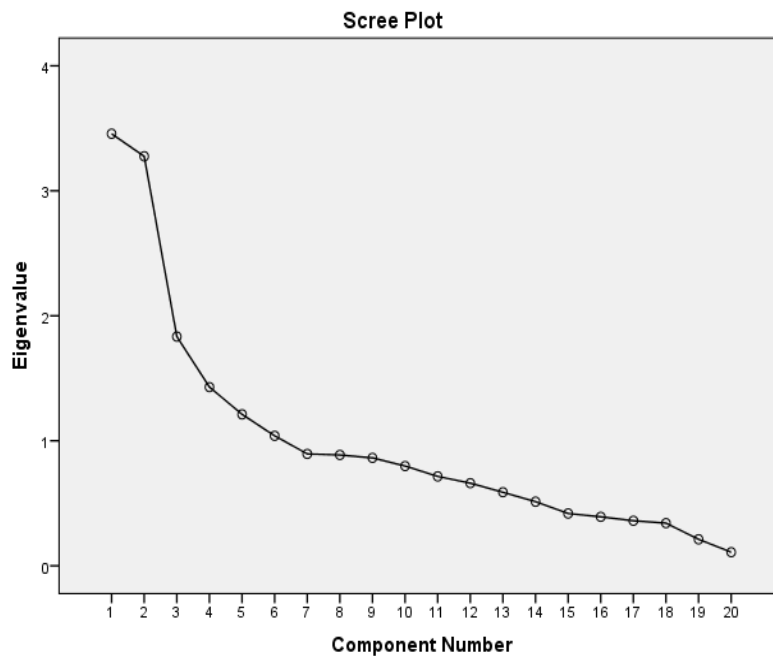


TABLE 3: ROTATED COMPONENT MATRIX^a

	Component					
	1	2	3	4	5	6
I Prefer expensive brands of refrigerator	-.049	.663	-.008	-.037	.085	.216
I think the higher the price higher the quality	-.035	.597	.029	.366	.159	-.110
Appearance and look of the refrigerator is important for me.	-.034	.582	.037	.187	.029	-.239
I purchase the brand which gives the best value for the money.	.078	.027	.169	.668	.156	.100
I prefer the brand giving other accessories with the refrigerator.	.036	.254	-.125	.762	.069	-.064
I prefer the brand with which I have good experience in past	-.206	.490	-.368	.228	.223	.132
I prefer the brands that are advertised on internet.	-.335	.445	-.185	-.088	.419	.239
I use internet to evaluate the best brand.	.169	.705	-.006	-.109	.066	.016
I spent considerable time on social media to judge the best brand.	.279	.676	.045	.171	-.333	.011
FB and twitter is the prime information provider.	-.220	.182	.484	.156	-.228	.367
I prefer brand who invite me to be a part of social issues.	-.047	.251	-.511	.193	.124	-.025
Family and friends also provide a great deal of information	.000	.131	-.054	.289	.764	-.132
I give preference to my own choice rather than other external influence.	.143	-.009	.708	-.007	.364	.031
I go for a planned purchase of FMCD goods.	-.155	.152	.705	.154	-.137	-.208
I prefer the brands which enhance my social status	-.080	.368	.297	-.456	.299	-.138
I always purchase brands under peer pressure.	.858	.057	-.004	.079	.039	-.026
The approach of the sales man also decides my buying behaviour.	.913	.067	-.038	-.041	-.033	.026
Brands that provide promotional offer are mostly preferred	.852	.051	.013	.034	-.133	.057
I prefer the brands endorsed by celebrities.	.751	-.081	-.007	.061	.063	.280
My financial strength decides my buying behaviour.	.317	.003	-.077	.056	-.072	.836

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

Based upon the above analysis six factors were extracted for further study. These factors have been presented in the table-4 below. It is observed from the table-4 that external influence as a factor influencing the consumer behavior emerged as the single most important determinant of consumer behavior particularly the approach of the salesman. It is followed by monetary factor i.e. the financial strength of the consumer itself. The other important variables that influence consumer behavior are searching the information through internet for quality product, the selected product giving other accessories, information provided by family members and friends, etc.

TABLE 4: FACTOR ANALYSIS OF CONSUMER BEHAVIOR

Factors	Item	Factor Loading	Factor Name
1	I always purchase brands under peer pressure.	0.858	External Influence
	The approach of the sales man also decides my buying behaviour.	0.913	
	Brands that provide promotional offer are mostly preferred	0.852	
	I prefer the brands endorsed by celebrities	0.751	
2	I Prefer expensive brands of refrigerator	0.663	Quality consciousness
	I think the higher the price higher the quality	0.597	
	Appearance and look of the refrigerator is important for me	0.582	
	I prefer the brand with which I have good experience in past	0.490	
	I prefer the brand that are advertised on internet	0.445	
	I use internet to evaluate the best brand.	0.705	
	I spent considerable time on social media to judge the best brand	0.676	
I prefer the brands which enhance my social status	0.368		
3	FB and twitter are the prime information provider	0.484	Planned Purchase
	I give preference to my own choice rather than other external influence	0.708	
	I go for a planned purchase of FMCD goods.	0.705	
4	I purchase the brand which gives the best value for the money	0.668	Value for money
	I prefer the brand giving other accessories with the refrigerator.	0.762	
5	Family and friends also provide a great deal of information	0.764	Internal Influence
6	My financial strength decides my buying behaviour.	0.836	Monetary Factor

FINDINGS AND CONCLUSION

The above analysis of the data revealed the six major factors that influence the consumers buying behaviour while purchasing a refrigerator. The six factors are external influence, quality consciousness, and planned purchase, value for money, internal influence and monetary factor. By having the knowledge of these factors the company can design the marketing strategy to increase the sales. For example, the customer who is influenced by the monetary factors the company provides them high utility products at affordable price. Similarly, the customers who are quality conscious and ready to spend higher amount, the company should produce products with higher specifications leading to social status. For the customers who are influenced by external factors the company should launch effective sales promotion activity to attract them. The company should launch massive advertisement for the customers who want to plan their purchase during any particular season of the year.

REFERENCES

- Backhaus, K. Hillig, T. and Wilken, R. (2007) "Predicting purchase decision with different conjoint analysis methods", *International Journal of Market Research*. 49(3). Pp. 341-364.
- Bagozzi, R. & Warsaw, L. (1990) "Trying to Consumer" *Journal of Consumer Research* 17 (2). pp. 127 – 140.
- Batra, S.K. & Kazmi, S. (2008) *Consumer Behaviour* 2nd edition, EXCEL Books.
- Blackwell, R., Miniard, P. and Engel, J. (2006) *Consumer behavior*, Mason: Thompson
- Culture (2015) Oxford Dictionaries
- East, R., Wright, M. & Vanhuele, M. (2013) *Consumer Behaviour: Applications in Marketing* 2nd edition, SAGE Publications.
- Hoyer, W.D. & Macinnis, D.J. (2008) *Consumer Behaviour*, 5th edition, Cengage Learning
- Hoyer, W.D., Macinnis, D.J. & Pieters, R. (2012) *Consumer Behaviour* 6th edition.
- Kacen, J. J. and Lee, J. A., (2002) "The influence of culture on consumer impulsive buying behaviour", *Journal of consumer psychology*. 12(2), pp. 163-174.
- Kahle L.R. and Close, A. (2006) *Consumer Behaviour Knowledge for Effective Sports and Event Marketing*, Taylor & Francis, New York, USA.
- Kotler, P. (2012) *Kotler on Marketing*, The Free Press.
- Meldrum, M. & McDonald, M. (2007) *Marketing in a Nutshell: Key Concepts for Non-Specialists*, Butterworth-Heinemann.
- Neal, C., Quester, P. and Pettigrew, S. (2006), *Consumer Behaviour: Implications for Marketing Strategy* (5th edition) Berkshire: McGraw-Hill.
- Perugini, M. & Bagozzi, R. (2001) "The role of desires and anticipated emotions in goal-directed behaviours: Broadening and deepening the theory of planned behaviour" *British Journal of Social Psychology*, 40, pp. 79-98.
- Rao, K. (2007) *Services Marketing*, New Delhi: Pearson Education.
- Rose, S. and Samouel, P., (2009) "Internal psychological versus external market-driven determinants of the amount of consumer information search amongst online shopper", *Journal of Marketing Management*. 25(1/2), pp. 171-190.
- Schiffman, L., Hansen H. and Kanuk L. (2007) *Consumer Behaviour: A European Outlook*, London: Pearson Education.
- Stallworth, P. (2008) *Consumer behaviour and marketing strategic*, online, pp.9.
- Tyagi, C. and Kumar, A. (2004) *Consumer Behaviour*, Atlantic Publishers, USA.
- Wiedmann, K., Hennigs, N. and Siebels, A. (2007) "Measuring Luxury consumer perception: A cross-culture framework", *Academy of Marketing Science review*, 2007(7).
- Winer, R. (2009), "New Communications Approaches in Marketing: Issues and Research Directions," *Journal of Interactive Marketing*, 23 (2), pp. 108–17.

KNOWLEDGE MANAGEMENT AND INTELLECTUAL PROPERTY MANAGEMENT AS STRATEGIC BUSINESS TOOLS: AN ANALYSIS

ARUNIMA K. V.
RESEARCH SCHOLAR
DEPARTMENT OF BUSINESS ADMINISTRATION
MANGALORE UNIVERSITY
MANGALORE

DR. P. PAKEERAPPA
PROFESSOR
DEPARTMENT OF BUSINESS ADMINISTRATION
MANGALORE UNIVERSITY
MANGALORE

ABSTRACT

Knowledge is definitely a Capital, as it can be used to produce more wealth with defined value, measurement and future course of use. It contributes significantly to human, organizational and relational capital of an organization. Hence Knowledge Management (KM) is an organizational strategic tool that can create competitive advantage. At the same time any Intellectual Property need to be managed by the organization strategically to sustain its position in the market. Intellectual Property Management (IPM) helps companies to make an effective decision on what products to create as well as when and how to protect them. This paper tries to conceptually analyze how the processes of KM and IPM are interrelated and result in competitive advantage through better knowledge flow. The paper also tries to explain the constructs Intellectual Capital, Intellectual Asset and Intellectual Property from a Knowledge Management framework. The study uses secondary data from sources such as World Intellectual Property Organisation (WIPO), Organisation of Economic Co-operation and Development (OECD) to analyse the Indian IP statistics. The Indian Human Capital is valued globally and therefore it is important to motivate its generation, storage and dissemination effectively by organizations and this analysis tries to bring more clarity on that objective. The paper also identifies a future scope for an empirical inquiry in the area.

KEYWORDS

knowledge management (KM), intellectual capital(IC), intellectual asset (IA), intellectual property management (IPM)

INTRODUCTION

Knowledge can be generally defined as the theoretical or practical understanding of a subject. This understanding could be obtained from experiences based on data, information and interpretation. A number of organizations believe that by focusing exclusively on people, technologies, or techniques, they can manage knowledge. The study says that exclusively focusing on people, technologies, or techniques does not enable a firm to sustain its competitive advantages. It is, rather, the interaction between technology, techniques, and people that allow an organization to manage its knowledge effectively. Knowledge Management (KM) is therefore included creation, storage, transfer and dissemination of Knowledge in organizations with the support of enablers such as management support, technological infrastructure and shared culture. KM is definitely a strategic tool, as the transformation of data and information into useful knowledge result in organizational value creation in terms of strategic decision making and innovation.

If knowledge results in ideas of novelty, innovation, newness and useful in application, then it can be called as Intellectual property, which has to manage strategically through Intellectual Property Management (IPM). Therefore, IPM and KM are both mutually related and one can be called a part of the other. A simultaneous flow of KM and IPM would complement and integrate the knowledge flow in organizations resulting in competitive advantage.

Considering the current Indian business scenario, Honorable Prime Minister Narendra Modi had assured that India would be committed to protect Intellectual Property Rights of all innovators and entrepreneurs and that a comprehensive National IPR policy is being finalized. This was as a part of certain initiatives of our government as being in line with some of our research interests, specifically, the "Make in India" and "Digital India" initiatives. This came at a time when several countries and multinational corporations want India to bring its patent laws at par with global standards. In this context, it is important to throw insights over KM and IPM as strategic business tools. This study not only brings a conceptual framework, but also analyzes the Intellectual Property Statistics and India's stake in it.

LITERATURE REVIEW

Knowledge Management (KM) is the process of capturing, distributing, and effectively using knowledge (Davenport, 1994). KM efforts overlap with organisational learning and may be distinguished from that by a greater focus on the management of knowledge as a strategic asset and a focus on encouraging the sharing of knowledge. Organizations are starting to understand and appreciate knowledge as the most valued assets in the emerging competitive environment (Nonaka & Takeuchi 1995).

In a company, knowledge can be explicit and tangible work accomplishments and tasks of employees (Smith, 2001) and also consider the tacit minds and interactions of the employees (Newell et al., 2002). A good KM can develop an appropriate strategy to create value in the knowledge assets through acquisition, storing and retaining the knowledge assets, including expertise, ideas and concepts of employees in an efficient way (Schulz & Jobe, 2001). Alavi & Leander (2001) stated that KM could contribute to building core competencies, understanding the strategic advantage of know-how, and creating intellectual assets. Hence, KM is a critical part of IPM to share, retain and create knowledge assets in the most efficient way. The knowledge processes, which are knowledge creation, knowledge retention, knowledge transfer and knowledge utilization (Nonaka, 1994), can be articulated into the IPM processes.

As knowledge can be non-exclusive to access, it suffers from the free rider problem and thus the under-provision of knowledge. KM processes, including the proactive creation and management of value creating intangible assets, will be a core competency in successful organizations of the 21st century. Intellectual Assets will become a larger part of a corporation's value because intellectual property law enforcement will improve, and there will be higher business value in securing global intellectual property rights. (McConnachie, 1997). In order to manage Intellectual Property (IP) assets in a most effective and efficient way, Intellectual Property Management (IPM) should involve the management of personnel and information in generating, protecting and disseminating IP assets and services (Yang, 2008).

IP becomes an important knowledge asset of the company due to the growth of information technology and competitive business environment (Teece, 1998; Rodriguez et al., 2011). Companies should have a well-organized Intellectual Property Management (IPM) to protect its IP assets, in order to gain and strengthen the competitive advantages in the market. This is particularly true for the technology development industries as they are knowledge intensive industries and need to manage large amount of IP assets, such as patents, copyright and trademarks. The organizations can be aware of their value, benefits or risks of IP when the appropriate management of IP is exercised (Pisano, 2006; Zhao, 2006).

OBJECTIVES

Mostly the construct KM is used in line with organizational learning, although it is much different in meaning and application with regard to its processes. KM definitely is a strategic tool that enhances Organisational learning and results in value creation of an organization irrespective of the industry. The objectives of this study include 1. To conceptually analyze KM and IPM as strategic business tools 2. To differentiate the constructs Intellectual Capital (IC), Intellectual Asset (IA) and Intellectual Property (IP) as they are interchangeably used in many contexts. 3. To analyze the contribution of India in the IP generation and management.

METHODOLOGY

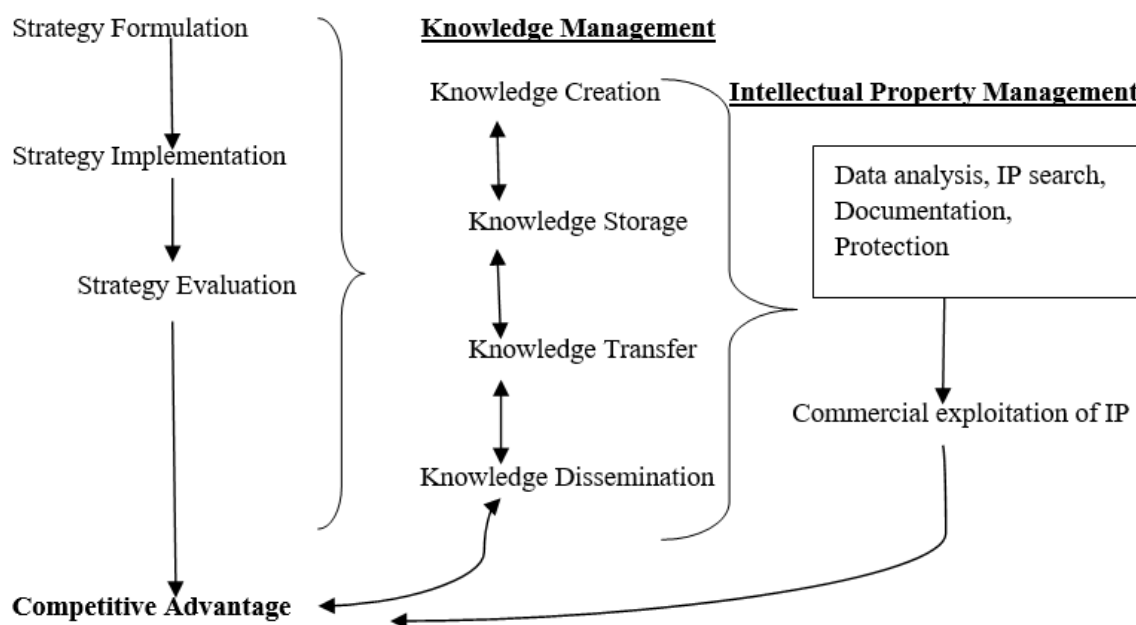
The concept of KM and IPM and its mutual dependence is analyzed through literature review. The review extends in explaining the constructs IC, IA and IP. This could give a better clarity of differences and interrelationships of these constructs in a KM framework. The secondary data is being collected from various sources such as World Intellectual Property Organization (WIPO 2015), Organization of Economic Co-operation and Development(OECD 2015) which include annual reports on IP statistics. The data pertaining to India is being separately segregated and analyzed for the study.

KM AND IPM AS STRATEGIC TOOLS

Strategic Management is an integrated process of formulating, implementation and evaluation an organization's objective so as to bring value to products and services and thus improve the competitive advantage. The current business scenario focuses more on a value network than value chain as a competitive strength. The value chain focuses more on the physical flow of goods and services, but value network included the flow of financial, digital, logical and informational flow along with the physical flow of goods and services. It creates value through the exchange of information and knowledge through relationship in the value chain among stakeholders. Since this exchange of Knowledge and Information results in better ideas of problem solving, decision making and innovation effective KM is definitely a strategic tool. The KM includes processes such as Knowledge Creation, Knowledge Storage, Knowledge Transfer and Knowledge Dissemination. It is obviously supported by Knowledge Enablers such as Shared Culture, Management Support, Leadership and Technology Infrastructure. Effective KM overlaps and integrates the people, technology and processes in an organization.

The Intellectual Capital includes the knowledge, skill and expertise of the entire Human Resource in the organization. Knowledge itself is a capital and there KM adds value in all sense. When Knowledge results in innovation, novelty and newness which can be made useful and protected by law it becomes an IP. IP can definitely increase the market value of an organization and therefore it is important to protect and effectively disseminate the IP assets of an organization strategically. This shows the strategic role of IPM. IPM is definitely integrated in the KM process as Creation, Storage, Transfer and Dissemination of Knowledge also include the intellectual assets of the organization as a subset. The conceptual model (Fig 1) explains how the KM process acts as a subset of strategic management and in turn, the role of IPM in Knowledge Management resulting in Competitive Advantage

FIG. 1: ROLE OF KM AND IPM IN STRATEGIC MANAGEMENT (author’s conceptualization)



INTELLECTUAL CAPITAL (IC), INTELLECTUAL ASSET (IA) AND INTELLECTUAL PROPERTY (IP)

Intellectual Capital (IC) in the economic sense is any type of intellectual wealth or property that can be used to produce more wealth with defined value, measurement and future course of use. When we consider intellect as a property and we use them to produce more value or gain with defined and measurable quantum. Another aspect of intellectual capital is its timely use. The IC term was first introduced by Galbraith (1969) as a form of knowledge, intellect, and brain power activity that uses knowledge to create value. Edvinsson and Sullivan (1996) consider IC as a knowledge that can be converted into value. Stewart (1997) refers to IC as the aggregation of all knowledge and competencies of employees that enable an organization to achieve competitive advantages. IC basically consists of three basic interrelated dimensions: human capital (HC), organizational (or structural) capital (OC), and relational (or customer) capital (Dzinkowski, 2000; Cortini and Benevene, 2010).

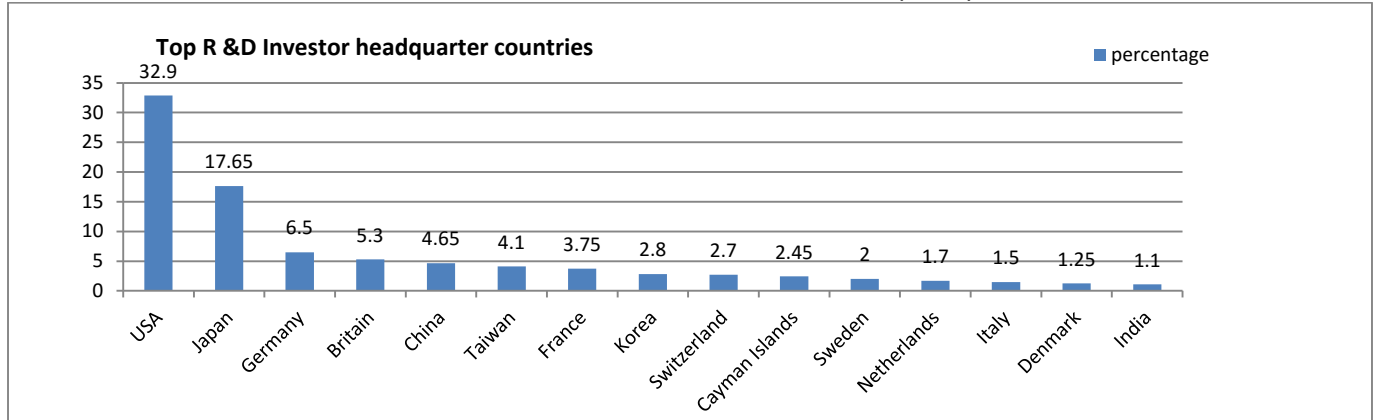
Asset means a valuable or useful quality or skill; it can be a thing or an entity. In a general sense it is a property of a company that has value and used or sold to pay debts. Here it is evident from the meaning of asset that asset is primarily tangible, but when we use the word intellectual asset which is also called as intangible asset the major element involved in this denoted word is 'the value' and its future use. So Intellectual Asset (IA) can be defined as a valuable and useful intangible asset in which intelligence has the prime role. Intangible Assets can be divided into generative and commercially exploitable intangibles (Ahonen, 2000).

Intellectual Property (IP) is any property/quality or valuable thing in which newness, novelty, innovation, and social usefulness exists and which are now mostly legally protected by rights. Intellectual property is divided into two categories: 1. Industrial Property which includes patents for inventions, trademarks, industrial designs and geographical indications. 2. Copyright which covers literary works (such as novels, poems and plays), films, music, artistic works (e.g., drawings, paintings, photographs and sculptures) and architectural design. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs. The intellectual property system helps strike a balance between the interests of innovators and the public interest, providing an environment in which creativity and invention can flourish, for the benefit of all.

THE IP STATISTICS: AN OVERVIEW

Analysis is based on the report generated by OECD (Organization of Economic and Co-operative Development) -*World Corporate Top R&D Investors: Innovation and IP bundles*. The report looks at the innovative output of world’s top Research and Development (R&D) investors using patents and trademarks as proxy indicators. It presents statistics about the patent portfolio of companies, and their trademark strategies to launch new products, and looks at the extent to which companies bundle these two forms of Intellectual Property Rights (IPR) to protect and appropriate the returns of their knowledge-based assets. This provides interesting insights about the innovation strategies of the world’s leading corporate R&D investors. IP bundle refers to the combined use of patents and Trademarks. There are five patent families represented as IP5 namely; European Patent Office (EPO), United States Patent and Trademark Office (USPTO), Korean Intellectual Property Office (KIPO), SIPO (the State Intellectual Property Office of the People’s Republic of China) and Japan Patent Office (JPO). Top corporate R&D investors differentiate their filing strategies across the IP5 offices depending upon the technological field of the invention to protect. Patent families filed at the Korean Intellectual Property Office (KIPO), the USPTO and the SIPO (the State Intellectual Property Office of the People’s Republic of China) are largely oriented towards *Electrical engineering* applications, whereas EPO patent family members show a stronger orientation towards *Mechanical engineering* and *Chemistry*. A Patent family member at the Japan Patent Office (JPO) are the most oriented towards *Instruments*, and also account for the second highest share in the field of *Mechanical engineering*.

FIG 2: TOP R & D INVESTOR HEADQUARTER COUNTRIES (TOP 15)



The figure above is the graphical representation of data (Fig 2) extracted from the report on the geographic distribution of the headquarters of the top corporate R&D investors. In 2012, more than 60% of these companies (i.e. 1247) were headquartered in four countries, namely the United States, Japan, Germany and the United Kingdom, and about 9% (i.e. 175 companies) in China and Chinese Taipei. India is the headquarters for 22 corporate R & D investors, which form only 1.1 percent of the total investors in the world. The number of subsidiaries refers to the subsidiaries of R & D investors in different countries.

TABLE 1: TOTAL COMPANIES AND SUBSIDIARIES OF R & D INVESTOR COMPANIES BASED ON GEOGRAPHICAL LOCATION

Countries	No of companies	Percentage	No of subsidiaries
USA	658	32.9	113753
Japan	353	17.65	73933
Germany	130	6.5	21574
Britain	106	5.3	55897
China	93	4.65	10006
Taiwan	82	4.1	2330
France	75	3.75	67707
Korea	56	2.8	3260
Switzerland	54	2.7	2480
Cayman Islands	49	2.45	1057
Sweden	40	2	7667
Netherlands	34	1.7	11676
Italy	30	1.5	5217
Denmark	25	1.25	3099
India	22	1.1	2192

Considering the position of the world IP statistics, the contributing industries include Advertising and business services, Agricultural products, Construction, Health, Cosmetics and Pharmacy, Transport and Textiles. The total companies contributing to R & D are comparatively more when compared to the percentage of subsidiaries. The data indicate that the corporate are more interested to apply for patents and Trademarks at the headquarter level rather than at subsidiary level. Table 1 gives an overview of IP statistics of India in particular where it explains membership of the companies in IP5. The IP bundle application limits to 40 (20 patent applications and 20 trademark applications) in India, which is comparatively a very low rate.

TABLE 2: AN OVERVIEW OF IP STATISTICS OF INDIA

No. of Companies	22
No. of subsidiaries	2192
Patent families with at least one member in the IP5	667
Patent families with at least two members in the IP5	619
Top R & D performers (Companies)	22
Matched Patent Applicants	20
Matched Trademark Applicants	20
Contributing Industries in IPR application	Advertising and business services, Agricultural products, Construction, Health, Cosmetics and Pharmacy, Transport, Textiles

In India IP offices are controlled by the Office of Controller General of Patents, Designs and Trade Marks (OCGPDTM) which has its offices at Kolkata, Delhi, Mumbai, Chennai and Ahmadabad. The Rajiv Gandhi National Institute on IPM works in support of it for training professionals in the area.

Indian Trends in IPR as per the annual report 2013-14 of Office of Controller General of Patents, Designs and Trade Marks says that out of 2,51,564 total IP applications filed, include 42951 patent applications, 8533 design application, 200005 trademark applications and 75 geographical indications. Out of these, 4227 patents, 7178 designs, 67876 trademarks and 22 geographical locations are registered. Table 2 illustrates an overview of IP statistics in India.

The filing of patents in India has gone up from around 35,000 to around 43,000 from 2007 to 2014, and the resident filing has gone up from 17% to 25%. In the year 2011-12, 11,000 patent applications were examined while in 2013-14, the number was 18,000. On a comparative basis, in India one patent examiner examined 140 patent applications in 2014 against 50 and 70 in the US and EU respectively. Therefore, it is the lack of human resources that is creating a backlog in the processing of patents in India compared to other countries.

FINDINGS

The conceptual analysis based on literature review has clearly identified the role of KM and IPM in creating competitive advantage. The KM acts as a subset of strategic management process right from strategy formulation to implementation and evaluation. The IPM forms a critical part of KM as any novel idea or innovation generated through KM contributes to the IP asset of a company. Thus, IPM leads to commercialization of IP assets which further leads to competitive advantage. Although the constructs IC, IA and IP are interchangeably used, each has distinct meanings, although are interrelated. IC forms the overall Knowledge Capital, when adds value becomes an IA and when further adds novelty and innovation protected by law, results in IP. The analysis of Indian IP statistics based on secondary data proves that although the country is rich in knowledge capital it has a long way to go in terms of R & D investment to develop IP assets. The lack of Human Resources would also accrue to the backlog of applications and therefore more professional training is aspired in the field.

CONCLUSION

Although KM has been considered as an inevitable ingredient in achieving competitive advantage most of the organizations has not been identifying the strategic value of KM. This paper has tried bringing its strategic importance along with a concept of IPM, which acts as a critical subset of KM in organizations. This aspect is very important in India in the context of "Make in India" and "Digital India" as the knowledge assets resulting in production innovation needs to be protected. A stronger, but not too strong IPR protection may increase the incentive of the inventors, thus the production of knowledge and economic growth of our country. The study also paves way for scope of empirical inquiry on the interrelationship of KM and IPM in the organizations.

REFERENCES

1. Ahmed A.S. Salem Omar E.M. Khalil, (2011). Understanding the knowledge management-intellectual capital relationship: a two-way analysis. *Journal of Intellectual Capital*, Vol. 12,4 586 – 614
2. Ahonen, G. (2000). Generative and Commercially Exploitable Intangible Assets, Classification of intangibles, E d.J. E Grojer and H. Stolowy., pp. 206-214. HEC school of Management. Paris
3. Alavi, M., Leinder, D. E. (2001). Review: Knowledge Management and Knowledge-Management Systems: Conceptual Foundations and research issues. *MIS Quarterly*, Vol.25(1), 107-136.
4. Awad Elias M, Ghaziri Hassan M (2013), *Knowledge Management*, Pearson Education Ltd. New Delhi. 2nd Edition
5. Cheung, C.F. Wang, W.M. Tse, W.L. Ma, Ricky. (2013). Knowledge-based Intellectual Property Management For Technology Development Industry. *Journal of Knowledge Management Practice*, Vol. 14. No. 2, 332-35
6. Cortini, M., Benevene, P. (2010). Interaction between structural and human capital in Italian NPO: leadership, organizational culture and human resource management, *Journal of Intellectual Capital*, Vol. 11 No. 2, 123
7. Davenport, T. H., Prusak, L. (1997). *Working knowledge: How organizations manage what they know*. Cambridge, MA: Harvard Business School Press.
8. Dzikowski, R. (2000). The measurement and management of intellectual capital: an Introduction, *Management Accounting*, Vol. 78. 32-6.
9. Edvinsson, L., Sullivan, P. (1996). Developing a model for managing intellectual capital, *European Management Journal*, Vol. 14 No. 4, 356-64. Galbraith, J.K. (1969). *The New Industrial State*, Princeton University Press, Princeton, NJ
10. Gordon McConnachie, (1997). The Management of Intellectual Assets: Delivering Value to the Business. *Journal of Knowledge Management*, Vol. 1,1.56 – 62
11. <http://timesofindia.indiatimes.com/india/India-committed-to-protect-Intellectual-Property-Rights-PM-Modi/articleshow/49761700.cms>, Accessed on 6/02/2016
12. http://www.wipo.int/edocs/pubdocs/en/intproperty/450/wipo_pub_450.pdf, World Intellectual Property Organization, Accessed on 6/01/2016
13. Mark Valentine, St Leon, (2002). Intellectual capital. *Journal of Intellectual Capital*, Vol. 3, 2 149 -166
14. Nonaka, I., & Takeuchi, H. (1995). *The knowledge-creating company: how Japanese companies create the dynamics of innovation*. New York: Oxford University Press.
15. Office of Controller General of Patents, Designs and Trade Marks (OCGPDTM), Annual Report 2013-14, http://ipindia.nic.in/main_text1.htm, Accessed on 14/2/2016
16. P. Ben Chou Katia Passerini, (2009). Intellectual property rights and knowledge sharing across countries. *Journal of Knowledge Management*, Vol. 13,5,331 – 344
17. Report on World Corporate Top R&D Investors: Innovation and IP bundles, <http://www.oecd.org/site/stipatents/#d.en.212082>, Accessed on 14/2/2016
18. Stefania Mariano Christian Walter, (2015). The construct of absorptive capacity in knowledge management and intellectual capital research: content and text analyses. *Journal of Knowledge Management*, Vol. 19, 2 372 – 400
19. Stewart, T. A. (1997). *Intellectual capital: the new wealth of the organization*. London: Nicholas Brealey
20. Tomi Hussi, (2004). Reconfiguring knowledge management – combining intellectual capital, intangible assets and knowledge creation. *Journal of Knowledge Management*. Vol. 8, 2. 36 – 52
21. Yang, D (2008). *Understanding and profiting from Intellectual Property: A guide for practitioners and analyst*. Palgrave Macmillan, New York

DENTAL CARE HABITS OF RURAL CONSUMERS IN TELANGANA

G RAVIKUMAR
ASST. PROFESSOR
EINSTEIN COLLEGE OF BUSINESS MANAGEMENT
NADERGUL

P. BHEEMAJAH
ASSOCIATE PROFESSOR
EINSTEIN COLLEGE OF BUSINESS MANAGEMENT
NADERGUL

ABSTRACT

An important and recent development in India's consumerism is the emergence of the rural market for several basic consumer goods. Three-fourths of India's population lives in rural areas, and contribute one-third of the national income. The mouth is a mirror that can reflect the health of the rest of your body. Numerous recent studies investigating the mouth-body connection have suggested an association between oral health and general health. Research has shown that dental diseases can best be prevented through early detection and primary prevention. Which means people need to, at least get the basics right – brush twice daily and visit a dentist twice a year. The benefit of doing so is not only less painful, but also significantly less expensive. Children, right from the age of three should be made aware of basics like the importance of brushing teeth twice a day, cleaning teeth and gums properly and other oral care information. Starting early will make oral hygiene not a practice but a habit with them. In this context the present study has been conducted to know the basic dental care habits of rural consumers in Telangana area. It was conducted in Karimnagar and Ranga Reddy districts of Telangana State. A Pre-structured questionnaire was used to collect the primary data from a sample of 150, 75 from each district. The study has shown that still some traditional methods are used in rural areas to clean their teeth and visiting a dentist is not a regular activity among them. The study suggests business people to encourage good habits of dental care which will increase their business too.

KEYWORDS

consumer habits, dental care, dental hygiene, rural consumer.

INTRODUCTION

Mouth is the gateway and place of disease for microbial infections that affect the health of a human being. It reflects the health of the whole body as a mirror. Studies have shown that there is a relationship between oral health and general health. For instance, there is a growing body of evidence indicating that chronic gum disease may contribute to the development of heart disease, said Dr. Ashok Dhoble, Secretary General, Indian Dental Association, Head Office. So we can say one cannot be healthy without good oral health. It is proven that dental diseases can be prevented can best be prevented if they are identified in the early stages and with primary prevention. The prevention can be done if people make basic habits like brushing twice a day, visiting a dentist every six months etc., which are painless and less expensive. Children below three years, if habituated to brushing twice, knowing the importance of cleaning teeth and gums, and oral care information, it is easy to prevent dental problems as well as many body related problems. (Dr. Bhagwant Singh, National President, Indian Dental association).

NEED AND IMPORTANCE OF THE STUDY

In this regard the present study was conducted to know the awareness of basic dental habits of rural consumers of Telangana.

MAJOR OBJECTIVES

1. To know the measures to be taken by rural consumers of Telangana for oral and dental hygiene
2. To study the accessories used for dental care by these rural people.
3. To find out the measures taking for dental care and to what extent these rural consumers are visiting a dentist
4. To know the consumer attitudes towards their dental care.
5. To find which is the leading oral care brand in rural areas of Telangana

RESEARCH METHODOLOGY

SCOPE OF THE STUDY: The study was conducted in rural areas of Ranga Reddy and Karimnagar districts. The scope is restricted to the dental care habits of consumers.

RESEARCH DESIGN: The study was aimed to know dental care habits of rural people, so *descriptive research design* was used, as descriptive research design aims to know the market characteristics like what, where, when, who, why and how.

SAMPLING DESIGN: Convenience sampling method was used to collect the data from the respondents, with a view that the sample has to cover all age groups, gender and social status. The respondents were caught at different places like their homes, farms, bust stops etc. The sample size was chosen as 150, 75 from each district. The sample covered 5 villages from each district, chosen randomly.

NATURE AND SOURCES OF DATA: The detailed information required for the study was collected from both primary and secondary sources in order to accomplish objectives of the study. Primary data were collected with the help of a pre-structured questionnaire and direct interview method. The secondary data were collected from Journals, Newspapers, Magazines and Websites. The questionnaire was prepared based on the secondary data and was validated with the help of a pilot study conducted in Nadergul village of Ranga Reddy district with a sample size of 30. The questionnaire was translated in to Telugu before administering it to respondents.

DATA ANALYSIS: The data was analyzed using simple tabulation and percentages.

LIMITATION: The study aimed to know the basic dental care habits of rural people and does not cover all the areas of dental care. The study was conducted in only two districts of Telangana, which may not represent the whole.

LITERATURE REVIEW

Dental care has been a part of Human health from the ancient times. Oral diseases continue to be a major health problem world-wide. Oral health is integral to general well-being and relates to the quality-of-life that extends beyond the functions of the craniofacial complex. India is a rapidly developing nation and is making great progress in IT, finance and living standard. In spite of these, it is very sad to know that very few people believe in regular dental care¹. Dental diseases restrict the activities in School, Work and Home and significantly diminish the quality of life in children and adults, especially in low-income groups². Tooth brushing may

help prevent some oral health diseases considered to be public health problems--in particular, certain presentations of chronic periodontal diseases and dental caries³.

Oral hygiene includes the following:

Teeth Cleaning: Teeth cleaning involve removal of dental plaque and tartar from teeth to prevent cavities, gingivitis, and gum disease. Dentists recommend that teeth be cleaned professionally at least twice every year.

Tongue Cleaning: it is a part of oral care as it removes bacterial coating on tongue that generates bad breath and problems to teeth and gums.

Gum care: Massaging gums is generally recommended for good oral health. It is recommended to brush and floss at least two times everyday to maintain a healthy dentition.

Toothbrush: The toothbrush is a fundamental tool used for accomplishing the goals of plaque control. It is the most common device used for maintaining good oral hygiene. "An ideal toothbrush may be defined as the one which removes plaque effectively."

Frequency of changing toothbrush: It is suggested that the toothbrush be changed every three months or even before if the bristles appear frayed or "flowered". The correct brushing technique includes following steps:

Toothpaste: Toothpaste is a paste or gel dentifrice used to clean and improve the aesthetic appearance and health of teeth. It is almost always used in conjunction with a toothbrush. Toothpaste use can promote good oral hygiene. It can aid in the removal of dental plaque and food from the teeth, it can aid in the elimination and /or masking of halitosis, and it can deliver active ingredients such as fluoride to prevent tooth and gum disease.

Mouthwash: Mouthwash or mouth rinse is a product used for oral hygiene. Antiseptic and anti-plaque mouth rinse claims to kill the germs that cause plaque, gingivitis, and bad breath. Anti-cavity mouth rinse uses fluoride to protect against tooth decay.

Dental floss: Dental floss is either a bundle of thin nylon filaments or a plastic (teflon or polyethylene) ribbon used to remove food and dental plaque from teeth.

Vibration: Some flossing wands utilize vibration which transfers through the floss, originating from the ends. The movement would also help in temporarily separating tooth and gum for floss to get through.

There were different ways of brushing and caring methods mentioned in Indian culture. People used to chew the twigs of neem, Miswak (*Salvadora persica*), and Babool to clean their teeth. In southern India, mango leaf is widely used for cleaning teeth⁴. Tobacco, ash, and salt are also used by many people in rural areas even today. Dental care is a part of primary health care in India; dental care services are available in very few states at the primary health care level. Various factors like demographic behavioral, socio-economic, cultural factors have impact on professional help seeking for dental problems⁵. Utilization of oral health care has been used as an indicator of oral health-care behavior. Regular home oral care and dental checkups are important⁶. For most of the Indians, a visit to a dental office is considered as an extraordinary and an unexpected event. Utilization of healthcare is measured as the number of visits per year or number of people with at least one visit during previous year⁷. The per capita consumption of oral care products in India is around 127grams, which is very low when compared to China (225 grams), Malaysia (304 grams) and Europe (300 grams). The penetration of oral care products in rural areas is just one third of that in urban areas¹. The dentist to population ratio is a critically low 1:35000 in the country. This results in low oral hygiene consciousness and widespread dental diseases. In India less than 15% of the people who use toothpaste brush twice a day. Indian rural oral care market offers huge potential as penetration and per capita consumption of oral care products is very low. However, rising per capita income and increasing awareness is driving demand of oral care products. Consumers have started switching to value-added toothpastes like gels, mouth washes, and teeth whitening products and in rural areas consumers are switching from toothpowders to toothpastes. Colgate and Hindustan Lever together account for over 85% of the organized toothpaste market. Red and Black toothpowder still accounts for 35% of the toothpowder market. In toothpowders Colgate and Dabur are the leading players sharing between them 75% of the market⁸.

ANALYSIS AND INTERPRETATION

SAMPLE REPRESENTATION

The sample consists of 63% male and 37% female. The sample consists of 17% below 18 years, 35% youth (between 18 and 35), 30% middle aged (between 36 and 50), and 18% old age people (above 50 years of age). There are 18% of the respondents whose monthly income is below Rs. 3000, 43% between Rs. 3000 and 6000, 27% between Rs. 6000 and 12,000, 7% with an income between 12,000 and 30,000 and rest are with a monthly income above Rs. 30,000. The sample comprises of 11% students, 38% farmers, 7 % small traders, 7% private employees, 5% Govt. employees, 20% housewives and 12% with other occupations. In the sample 18% are illiterates, 25% are with only primary education, 21% are with high school education, 15% are with Intermediate education, rest are graduates, post graduates and above.

The study has shown that 58% of the people using tooth brush, whereas rest are still dependent on traditional methods of brushing/cleaning their teeth. Neem twig is (23%) used to clean the teeth by majority, but few of them (9%) are using charcoal/ash and others are using tobacco, brick powder and twigs of some plants. Only 6% of those who brush daily, are brushing twice a day though 24% (21 members) them know that it is necessary to brush twice a day. Only 30% of those who use brush are changing their tooth brush once in six months. 17% of the respondents (25 members) said that they know the formal way of brushing. Colgate and Ajay are the major brands of tooth brush in the selected areas. Price of the tooth brush is the major criterion for selecting a tooth brush. 8% of the total users who are not using tooth brush are still using Tooth powder. Though tooth paste is the major conjunction used with tooth brush, 36% of them are using tooth powder at the time of brushing. Colgate is the leading brand in Tooth paste followed by Close-up. Dabur Red is the most preferred tooth powder in Karimnagar district and Farooqui is the leading Tooth powder in Ranga Reddy district. Loyalty is playing a key role in purchasing a tooth paste or tooth powder brand. Strong teeth (42%) and, white teeth (32%) are the major reasons for their loyalty. Only 6% of the total sample are using tongue cleaner and 2% said they use mouthwash some times. Nearby grocery store/ retail shop is the place where majority of the respondents buy their dental care products (nearly 85%).

When it comes to visiting a dentist, 57% of the total sample never visited a dentist, 15% visited only one time, 18% visited few times and only 10% said they visit a dentist regularly. Among them who visit dentist regularly, 6% of the total respondents are only visiting the dentist every six months for regular checkups. 46% of the total respondents said they are suffering from dental problems. Most of those who visited a dentist said it is the tooth ache that made them to visit a dentist. It is interpreted that bad breath, plaque, and gingivitis are not considered as major dental problems by most of the rural people (a physical observation of the interviewer). Even in case of tooth ache majority of the respondents visit a nearby doctor (usually RMP or PMP) first and if it still persists they visit a dentist. Surprisingly 68% of the respondents, at the end, said that their teeth are strong enough.

DISCUSSION

The present study shows the dental care habits of rural consumers in Telangana districts. MNCs like HUL, P&G, Colgate-Palmolive and Dabur have reached major parts of the rural areas but still unable create an impact on the dental care habits of the rural consumers. Oral hygiene is not among the priorities of the people. In this context the study suggests the major players of the oral care that there is a need to create awareness about brushing, tooth paste and toothpowders among the rural consumers as it benefits both the consumers and corporates. Even today Charcoal and tobacco which cause tooth decay and cancer, are used for cleaning the teeth. Though tooth brush and tooth paste are used by majority, they should know how to choose the tooth brush, paste and other accessories. It is necessary for the government to encourage the good habits related to dental care among the children so that they will have oral health that leads to overall body health. This study primarily concentrated on the major oral care habits and players in the rural Telangana, it is further necessary to go for a cross sectional analysis among different sections of the consumers. At the same time there is a huge scope for the researchers to explore how to capture the untapped markets of rural areas.

REFERENCES

1. Shailee Fotedar, KR Sharma, Vinay Bhardwaj, GM Sogi (2013), "Barriers to the Utilization of Dental services in Shimla, India", European Journal of General Dentistry, 2(5) 139-143
2. Gambhir, R. S., Brar, P., Singh, G., Sofat, A., & Kakar, H. (2013). Utilization of dental care: An Indian outlook. Journal of Natural Science, Biology, and Medicine, 4(2), 292– 297.

3. Vallejos-Sanchez AA, Medina-Solis CE, Maupome G, Casanova-Rosado JF, Minaya-Sanchez M, Villalobos-Rodelo JJ. (2008), Sociobehavioural factors influencing tooth-brushing frequency among schoolchildren. *J Am Dent Assoc*; 139:743–749
4. Singh, A., & Purohit, B. (2011). Tooth brushing, oil pulling and tissue regeneration: A review of holistic approaches to oral health. *Journal of Ayurveda and Integrative Medicine*, 2(2), 64–68.
5. Gambhir, R. S., Brar, P., Singh, G., Sofat, A., & Kakar, H. (2013). Utilization of dental care: An Indian outlook. *Journal of Natural Science, Biology, and Medicine*, 4(2), 292–297.
6. Lath Vivek, Singh Sopan, Venkanna Babu G, Chhabra Ranit, Rawlani Sudhir, and Khandewal Punit (2013), "Barriers to Restorative Care among the Rural Indian Population of Rajnandgaon District, Chhattisgarh India, Chhattisgarh Journal of Health, 10(2), pp.12-15
7. Bommireddy, V. S., Pachava, S., Ravoori, S., Sanikommu, S., Talluri, D., & Vinnakota, N. R. (2014). Socio-economic Status, Needs, and Utilization of Dental Services among Rural Adults in a Primary Health Center Area in Southern India. *Journal of International Oral Health: JIOH*, 6(6), 56–60.
8. Vani, G., Babu, M.G., & Panchanatham, N. (2010). Toothpaste Brands – A study of Consumer Behavior in Bangalore City, *Journal of Economics and Behavioral Studies*, Vol. 1, No. 1, pp. 27-39

A STUDY ON CUSTOMERS' PERCEPTION TOWARDS MARKETING MIX STRATEGIES ADOPTED BY RURAL RETAILERS IN COIMBATORE DISTRICT

A. MARTIN JAYARAJ
ASST. PROFESSOR & RESEARCH SCHOLAR
DEPARTMENT OF MANAGEMENT STUDIES & RESEARCH
KARPAGAM UNIVERSITY
COIMBATORE

DR. A. DHARMARAJ
ASSOCIATE PROFESSOR
DEPARTMENT OF MANAGEMENT STUDIES & RESEARCH
KARPAGAM UNIVERSITY
COIMBATORE

ABSTRACT

The Retail industry is at its boom in India. The corporates have turned towards retail business adopted in rural areas. The role of media has played its major role in creating awareness to customers even in remote rural areas of India. The consumers have started to turn towards fashion, it is a right pace to study the customers' perception on the strategies adopted by rural retailers. This article is aimed to analysing the gap between the customers' perception and strategies adopted in terms of marketing mix by retailers. It also brings out the major issues faced by the customers. The researcher has adopted descriptive research design using convenience sampling technique to seek out 120 samples from the customers of rural India, confining the study in Coimbatore district.

KEYWORDS

customer perception, marketing mix strategies, rural retailers.

INTRODUCTION

The Retail Industry has undergone with many changes in the Indian market. The corner grocer or the 'Kirana' store is a key element in the retail of India due to the housewife's unwillingness to go long distances for purchasing daily needs. Although convenience and merchandise were the two most important reasons for choosing the store, the choice of inertia varied across product categories. Convenience was indicated by consumers as the most important reason in the choice of groceries and fruit outlets, chemists and lifestyle items while merchandise was indicated as the most important in the choice of durables, books and apparel.

In recent years, some formats have been spread gradually in retail chains such as super markets, department stores, malls and discount stores. The following factors facilitate the spread of chains are the availability of quality products at lower prices, improved shopping standards, convenient shopping and display and blending of shopping with entertainment and the entry to industrial houses into retail.

Although the present ideas and innovations are well thought to giving in short term results, the Indian organized retailing is still in its evolutionary stage. Though, the heavy competition prevailing in the market has forced the retailers towards rural areas. The customers of rural areas have also become aware of the new brands and latest fashion prevailing in the market. This is enrooted through the emerging success of media and technology. The credit and instalment pay options have given strength to the consumers to purchase their favourite products. Thus the retailers upgrade their strategies in order to satisfy the demanding and awakened consumer group.

REVIEW OF LITERATURE

Retail shops in smaller towns and rural areas have been experienced in increasing competition from large shopping centres and supermarkets in larger cities (Guy, 1990). The unfaithfulness towards the stores of rural areas, with the availability of better range in low prices at large organized retailers, has resulted in increasing erosion of small rural shops (Crank etl.1995).

Development is also seen in rural markets of Sweden, where this has been caused by changes that includes increase of car owning, resulting in increase of mobility and out-shopping in urban centres (Forsberg, 1998). Rural retailers have considerable influence, since shop layouts do not allow consumers to browse (Dawar & Chattopadhyay, 2000).

In Rural India, consumers usually purchase what is available, and distribution is a major problem for entrants. The major issues faced by retailers are distribution of cost and non-availability of retail outlets (Sathyanarayana. S & Ramani Ganesh, 2008)

It is observed that many MNC footwear giants started with exclusive stores and later realized that they never enjoy much brand equity in rural markets. To capture the market share in rural India, they had to go to the local shoe sellers. (Siddique and Siddique, 2012).

All-around consulting abutting McKinsey and Co. projected that India's Rural market would be US \$ 500 Billion by 2020. While this estimation would be acceptable, it has been accustomed at demography literacy, accessibility, amount of penetration; accretion assets levels, ambit from above bartering and business hubs, cast awareness, and concepts of superior accretion consumerism a part of average in rural areas yet not have necessary announcement for a blooming affirmation in rural India (Neha Nazneen Siddiqui, 2016)

The core concepts indicate that traditional rural retailers persuade to purchase high-demand products and brands, through the provision of credit, discounts, quantity discount schemes, margins and commissions using local distributors and provide products at regular service. The analysis has yielded two conceptual clusters: high-demand products and brands and credit; and doorstep delivery and regular service (Dev Narayan Sarkar etl. 2016)

RESEARCH METHODOLOGY

OBJECTIVES

1. To study customer perception towards marketing mix strategies adopted by rural retailers in Coimbatore district.
2. To study the demographic profile of rural area people
3. To find the major issues faced by rural customers.

HYPOTHESIS

1. Ho: There is no association between Age and Perception of Product strategies.
2. Ho: There is no association between Income and Perception of Price strategies
3. Ho: There is no association between Marital Status and Perception of Place strategies
4. Ho: There is no association between Gender and Perception of Promotional strategies

The study attempts to make know the characteristics of the rural customers using Descriptive Research Design. The researcher has adopted Convenience Sampling technique for the study. The sample Population considered for the study were the rural people of Coimbatore district. The data was collected through the accumulation of both primary and secondary sources. A schedule was followed for collecting primary data. Secondary data was collected from text books, journals and websites. The sample size is 120. Statistical tools like ANOVA and Henry Garrett Rank test were used to analyse the data.

The Cronbach's Alpha reliability test result as follows:

TABLE 1

S. No	Factors	Cronbach's Alpha Test
1.	Product Strategies	0.874
2.	Price Strategies	0.857
3.	Place Strategies	0.847
4.	Promotion Strategies	0.821
5.	Overall Result	0.813

The above Cronbach's Alpha Reliability test is above 0.700, which shows that the data is reliable and good.

LIMITATIONS

1. The study is limited only to rural areas of Coimbatore.
2. The sample is 120, so that the results cannot be generalised
3. The study limits to four major marketing mix factors which are product, price, place and promotion only.

RESULTS AND DISCUSSIONS

1. PERCENTAGE ANALYSIS

TABLE 1.1: PERCENTAGE OF CUSTOMERS OPINION ON RETAILERS PRODUCT STRATEGIES

S. No	Strategies	SA	A	N	DA	SDA	Total
1.	Wide Product Range	0 (0)	22 (18.33)	38 (31.67)	42 (35)	18 (15)	120 (100)
2.	More Brands	0 (0)	24 (20)	34 (28.33)	47 (39.17)	15 (12.5)	120 (100)
3.	Better Product Quality	0 (0)	11 (9.17)	50 (41.66)	37 (30.84)	22 (18.33)	120 (100)
4.	New Stock Availability	0 (0)	16 (13.33)	55 (45.84)	39 (32.5)	10 (8.33)	120 (100)

(SA – Strongly Agree, A-Agree, N-Neutral, DA – Disagree, SDA – Strongly Disagree)

(Note: Values in brackets represent Percentages)

Source: Primary Data

From the Table 1.1, the researcher infers that majority of the customers disagree that the retailers provide wide product range (35%) and more brands (39.17%). On the other hand, majority of customers agree that retailers provide better product Quality (41.66%) and new stock is available (45.84%).

TABLE 1.2: PERCENTAGE OF CUSTOMERS OPINION ON RETAILERS PRICE STRATEGIES

S. No	Strategies	SA	A	N	DA	SDA	Total
1.	Discounts Provided	0 (0)	15 (12.5)	49 (37.5)	44 (36.67)	12 (10)	120 (100)
2.	Reasonable Price	0 (0)	14 (11.67)	45 (37.5)	48 (40)	13 (10.83)	120 (100)
3.	Instalment Facility	0 (0)	15 (12.5)	40 (33.34)	50 (41.66)	15 (12.5)	120 (100)
4.	Credit Facility	0 (0)	12 (10)	60 (50)	39 (32.5)	9 (7.5)	120 (100)

Source: Primary Data

The Table 1.2, denotes that majority of the customers are neutral towards the retailer's discounts (37.5%) and credit facilities (50%). Further, most of the customers disagree reasonable pricing (40%) and instalment facility (41.66%).

TABLE 1.3: PERCENTAGE OF CUSTOMERS OPINION ON RETAILERS PLACE STRATEGIES

S. No	Strategies	SA	A	N	DA	SDA	Total
1.	Better Accessibility	0 (0)	11 (9.17)	43 (35.83)	52 (43.33)	14 (11.67)	120 (100)
2.	Transport Availability	0 (0)	18 (15)	43 (35.83)	49 (40.84)	10 (8.33)	120 (100)
3.	Convenient Operating Hours	0 (0)	20 (16.67)	34 (28.33)	51 (42.5)	15 (12.5)	120 (100)

Source: Primary Data

From the Table 1.3, the researcher infers that majority of the customers disagree that the retail outlets have better accessibility (43.33%), Transport availability (40.84) and Convenient operating hours (42.5%).

TABLE 1.4: PERCENTAGE OF CUSTOMERS OPINION ON RETAILERS PROMOTION STRATEGIES

S. No	Strategies	SA	A	N	DA	SDA	Total
1.	Samples	0 (0)	17 (14.17)	45 (37.5)	48 (40)	10 (8.33)	120 (100)
2.	Demonstration	0 (0)	25 (20.84)	49 (40.83)	36 (30)	10 (8.33)	120 (100)
3.	Gifts	0 (0)	14 (11.67)	39 (32.5)	49 (40.83)	18 (15)	120 (100)
4.	Seasonal Discounts	0 (0)	17 (14.17)	45 (37.5)	42 (35)	16 (13.33)	120 (100)
5.	Promotional Schemes	0 (0)	20 (16.67)	41 (34.17)	49 (40.83)	10 (8.33)	120 (100)

Source: Primary Data

The Table 1.4, states that majority of the customers disagree to retailer’s strategies on Samples (40%), Gifts (40.83%) and Promotional Schemes (40.83%). Most of customers are neutral in Demonstration (40.83%) and Seasonal Discounts (37.5%).

2. ANOVA (TWO WAY) METHOD

a) Ho: There is no association between age and perception of product strategies.

TABLE 2.1: ASSOCIATION BETWEEN AGE AND CUSTOMERS’ PERCEPTION TOWARDS PRODUCT STRATEGY

Product Strategies	Sources	Sum of Squares	DF	Mean Square	F	Sig.	Result
Wide Product Range	Between Groups	2.673	4	.668	.717	.582	Accepted
	Within Groups	107.194	115	.932			
	Total	109.867	119				
More Brands	Between Groups	6.523	4	1.631	1.856	.123	Accepted
	Within Groups	101.069	115	.879			
	Total	107.592	119				
Better Product Quality	Between Groups	11.142	4	2.785	3.812	.006	Rejected
	Within Groups	84.025	115	.731			
	Total	95.167	119				
New Stock Availability	Between Groups	4.679	4	1.170	1.796	.134	Accepted
	Within Groups	74.913	115	.651			
	Total	79.592	119				

Source: Primary Data

The above Table 2.1 clearly states that no significant association is existing between Age and product strategies such as wide product range, more brands and new stock availability except better product quality which is associated with age.

b) Ho: There is no association between income and perception of price strategies

TABLE 2.2 ASSOCIATION BETWEEN INCOME AND CUSTOMERS’ PERCEPTION TOWARDS PRICE STRATEGY

Price Strategies	Sources	Sum of Squares	DF	Mean Square	F	Sig.	Result
Discounts Provided	Between Groups	7.677	2	3.839	5.916	.004	Rejected
	Within Groups	75.914	117	.649			
	Total	83.592	119				
Reasonable Price	Between Groups	3.179	2	1.590	2.301	.105	Accepted
	Within Groups	80.821	117	.691			
	Total	84.000	119				
Instalment Facility	Between Groups	2.181	2	1.091	1.456	.237	Accepted
	Within Groups	87.611	117	.749			
	Total	89.792	119				
Credit Facility	Between Groups	3.674	2	1.837	3.234	.043	Rejected
	Within Groups	66.451	117	.568			
	Total	70.125	119				

Source: Primary Data

The above Table 2.2 indicates that no association is existing between income and price strategies such as reasonable price and instalment facility. There is association between income and discount provided and credit facility.

c) Ho: There is no association between marital status and perception of place strategies

TABLE 2.3: ASSOCIATION BETWEEN MARITAL STATUS AND CUSTOMERS’ PERCEPTION TOWARDS PLACE STRATEGY

Place Strategies	Sources	Sum of Squares	DF	Mean Square	F	Sig.	Result
Better Accessibility	Between Groups	1.126	1	1.126	1.700	.195	Accepted
	Within Groups	78.199	118	.663			
	Total	79.325	119				
Transport Availability	Between Groups	.905	1	.905	1.265	.263	Accepted
	Within Groups	84.420	118	.715			
	Total	85.325	119				
Convenient Operating Hours	Between Groups	1.025	1	1.025	1.222	.271	Accepted
	Within Groups	98.967	118	.839			
	Total	99.992	119				

Source: Primary Data

The above Table indicates that no association is existing between marital status and place strategies such as better accessibility, transport availability and convenient operating hours.

d) Ho: There is no association between gender and perception of promotional strategies

TABLE 2.4: ASSOCIATION BETWEEN GENDER AND CUSTOMERS’ PERCEPTION TOWARDS PROMOTIONAL STRATEGIES

Promotion Strategies	Sources	Sum of Squares	DF	Mean Square	F	Sig.	Result
Samples	Between Groups	.050	1	.050	.071	.790	Accepted
	Within Groups	83.275	118	.706			
	Total	83.325	119				
Demonstration	Between Groups	1.316	1	1.316	1.694	.196	Accepted
	Within Groups	91.676	118	.777			
	Total	92.992	119				
Gifts	Between Groups	.464	1	.464	.591	.443	Accepted
	Within Groups	92.528	118	.784			
	Total	92.992	119				
Seasonal Discounts	Between Groups	.144	1	.144	.177	.675	Accepted
	Within Groups	95.781	118	.812			
	Total	95.925	119				
Promotional Schemes	Between Groups	.018	1	.018	.023	.879	Accepted
	Within Groups	88.974	118	.754			
	Total	88.992	119				

Source: Primary Data

The above Table 2.4 states that no significant association is existing between gender and promotional strategies such as samples, demonstration, gifts, seasonal discounts and promotional schemes.

3. HENRY GARRET RANKING METHOD

TABLE 3.1: RANKING OF ISSUES FACED BY CUSTOMERS IN RURAL RETAIL

S. No	Factors	Total Score	Mean Score	Rank
1.	Product issues	10720	89.33	II
2.	Price issues	5540	46.17	IV
3.	Place Issues	3160	26.33	V
4.	Promotion Issues	10980	91.5	I
5.	Consumer Service Issues	5760	48	III

Source: Primary Data

The customers have ranked promotional issues as first (91.5), which clearly states that the rural retailers do not engage any promotional activities. The Product issues have been ranked second (89.33), wherein the customers feel that more unbranded and adulterated products are sold in the retail outlets. The Consumer services which have been ranked third (48) states that retailer's services are not up-to their expectations. The price issues have been ranked fourth (46.17), shows that the prices of products sold are reasonable and not costly. The Place issues have been ranked fifth (26.33) which states that only minimal issues about the place and the shops are convenient for the customers.

MAJOR FINDINGS

Majority of the customers disagree that the retailers provide wide product range (35%) and more brands (39.17%). On the other hand, majority of customers agree that retailers provide better product quality (41.66%) and new stock is available (45.84%).

Majority of the customers are neutral towards the retailer's discounts (37.5%) and credit facilities (50%). Further, most of the customers disagree reasonable pricing (40%) and instalment facility (41.66%).

Majority of the customers disagree that the retail outlets have better accessibility (43.33%), Transport availability (40.84) and convenient operating hours (42.5%). Majority of the customers disagree to retailer's strategies on samples (40%), gifts (40.83%) and promotional schemes (40.83%). Most of customers are neutral to demonstration (40.83%) and seasonal discounts (37.5%).

No significant association is existing between age and product strategies such as wide product range, more brands and new stock availability except better product quality which is associated with age

No association is existing between income and price strategies such as reasonable price and instalment facility. There is association between income and discount provided and credit facility.

No association is existing between marital status and place strategies such as better accessibility, transport availability and convenient operating hours.

No significant association is existing between gender and promotional strategies such as samples, demonstration, gifts, seasonal discounts and promotional schemes.

The customers have ranked promotional issues as first (91.5), which clearly states that the rural retailers do not engage any promotional activities. The Product issues have been ranked second (89.33), wherein the customers feel that more unbranded and adulterated products are sold in the retail outlets. The Consumer services which have been ranked third (48) states that retailer's services are not up-to their expectations. The price issues have been ranked fourth (46.17), shows that the prices of products sold are reasonable and not costly. The Place issues have been ranked fifth (26.33) which states that only minimal issues about the place and the shops are convenient for the customers.

RECOMMENDATIONS AND CONCLUSION

The Customers' perception towards marketing strategies of rural retailers reveals that promotional strategies should be given more importance by the retailers. The rural retailers do not engage in any type of promotional activities like providing samples, gifts or any that schemes. So, it is high time to spend some amount in promotional activities.

The product strategies followed by rural retailers do not provide a wide range. The retailers have to provide more branded products and latest fashionable items to gain the attention of the customers.

The customers also feel that the pricing strategies should be transparent. They also expect instalment facilities and credit facilities. Though pricing strategies are prevailing in the rural retail, they should be properly systemised.

The customers also expect customer services from the retailers. The retailers have to train their employees to maintain customer relationship for long term success of the business.

Thus, as competition arises in the Indian rural retail industry, many big firms have turned towards rural areas, it is important for the retailers to maintain cordial relationship with customers and to maintain trustworthy business for surviving in the future retail markets.

REFERENCES

1. Crank, W.M., Jasper, C., Meyer, S., & Sternquist, B. (1995). The Rural Retailer in Tourist Communities: Problems and implications for managerial strategies. *Journal of Travel and Tourism Marketing*, 4(2), 99–105.
2. Dawar, N., & Chattopadhyay, A. (2002). Rethinking Marketing programs for emerging Markets. *Long Range Planning*, 35(5), 457–474.
3. Dev Narayan Sarkar, Kaushik Kundu, & Himadri Roy Chaudhuri (2016). Purchase Preference Factors for Traditional Rural Retailers: A Cross-sectional Conceptual Study. *The Journal for Decision Makers*, 41(1), 9–27
4. Forsberg, H. (1998). Institutions, Consumer Habits and Retail Change in Sweden. *Journal of Retailing and Consumer Services*, 5(3), 185–193.
5. Guy, C.M. (1990). Out shopping from small towns: A British case study. *International Journal of Retail and Distribution Management*, 18(3), 3–14.
6. Neha Nazneen Siddiqui (2016). An overview of Indian Rural Retail Industry. *International Research Journal of Engineering and Technology (IRJET)*, 3(1), 564-570
7. Sathyanarayana. S & Ramani Ganesh (2008). Rural Retail Management. *Journal of Contemporary Research in Management*, 81-99.
8. Siddique, S., & Siddique, R.A. (2012). Rural marketing in India: Opportunities, challenges and strategies. *International Journal of Retailing and Rural Business Perspectives*, 1(2), 142–147.

IMPACT OF CAPITAL STRUCTURE ON COST OF CAPITAL AND VALUE OF FIRM: AN EMPIRICAL STUDY OF CEMENT INDUSTRY IN INDIA

MOHAN KUMAR M.S.
RESEARCH SCHOLAR, TUMKUR UNIVERSITY, VISHWAVIDYANILAYA KARYALAYA
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
ST. CLARET COLLEGE
BENGALURU

DR. T. ASWATHA NARAYANA
RESEARCH GUIDE, TUMKUR UNIVERSITY, VISHWAVIDYANILAYA KARYALAYA
HEAD (UG & PG)
DEPARTMENT OF COMMERCE
GFGC K R PURAM
BENGALURU

SURAJ M.
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
ST. CLARET COLLEGE
BENGALURU

ABSTRACT

Capital structure is an important factor to determine the cost of capital & value of the firm. The present study examines the impact of capital structure on cost of capital & value of the firm in selected cement companies of India. The study is based on secondary data collected from the annual reports of the companies & examines the impact through statistical tools like mean, standard deviation, coefficient of variation and correlation. The study concluded that there is a positive correlation in Ultratech Cement & Negative correlation in Shree cement & Ramco cement between capital structure, cost of capital & Value of the firm. It indicated that there is a significant relation between capital structure, cost of capital & value of the firm and also justified that an optimal capital structure is very important to minimize cost of capital & maximize shareholder's wealth.

KEYWORDS

cost of capital, value of firm, capital structure.

ABBREVIATION

CV = Coefficient of Variation
SD = Standard Deviation
r = Correlation
D/E = Debt equity Ratio

INTRODUCTION

Capital structure, cost of capital and value of the firm are inter-related concepts in financial management. Capital structure is the mix of debt, preference share capital, equity share capital etc. It affects the cost of capital and value of the firm. Cost of capital depends upon the conditions prevailing in the capital market. The overall cost of capital depends upon the cost of each component of capital and proportion of each component of capital in the financing mix. The ultimate objective of business is to maximize the value of firm and thereby maximize the wealth of shareholders. Value of the firm depends upon earnings of the firm which in turn depends upon the investment decisions of firm.

There is a difference of opinion with regard to the relationship between capital structure, cost of capital and value of the firm. According to traditional approach, the value of firm is maximized up to a certain level of debt, but beyond the safety level of debt; use of additional debt has negative effect on the value of firm. Net income approach states that the use of debt should be maximized as it has low cost of capital which in turn maximizes the value of shares. While net operating income approach states that capital structure has no effect on cost of capital and value of firm. M.M Model also states that capital structure has no relation with cost of capital and value of firm, if there are no corporate taxes. But later, it viewed that value of levered firm will be higher than the value of unlevered firm, considering taxes. The study is an attempt to examine the relation among capital structure, cost of capital and value of firm.

India's cement industry is playing an important role of its economy, providing employment to more than a million people, directly or indirectly. Ever since it was deregulated in 1982, the Indian cement industry has attracted huge investments, from both Indian and foreign investors, making it the second largest in the world. The industry is currently in a turnaround phase, trying to achieve global standards in production, safety, and energy-efficiency.

The cement market in India is expected to grow at a compound annual growth rate (CAGR) of 8.96 percent during the period 2014-2019. In India, the housing sector is the biggest demand driver of cement, accounting for about 67 per cent of the total consumption. The other major consumers of cement include infrastructure at 13 per cent, commercial construction at 11 per cent and industrial construction at nine per cent. To meet the rise in demand, cement companies are expected to add 56 million tonnes (MT) capacity over the next three years. The cement capacity in India may register a growth of eight per cent by next year end to 395 MT from the current level of 366 MT. It may increase further to 421 MT by the end of 2017. The country's per capita consumption stands at around 190 kg. According to data released by the Department of Industrial Policy and Promotion (DIPP), cement and gypsum products attracted foreign direct investment (FDI) worth US\$ 3,084.89 million between April 2000 and December 2014. The production capacity is projected to reach 550 MT by FY 2020

REVIEW OF LITERATURE

Modigliani and Miller (1958,1963), in their study showed that under the assumptions of perfect capital markets, equivalent risk class, no taxes, 100 per cent dividend-payout ratio and constant cost of debt, the value of a firm is independent of its capital structure. When corporate taxes are taken into account, the value

of a firm increases linearly with debt-equity (D/E) ratio because of interest payments being tax exempted. M-M'S work has been at the centre stage of the financial research till date. Their models have been criticized, supported, and extended over the last 45 years.

David Durand (1963) criticized the model on the ground that the assumptions used by M-M are unrealistic. Solomon (1963) argued that the cost of debt does not always remain constant. When the leverage level exceeds the accepted level, the probability of default in interest payments increases thus raising the cost of debt. Stiglitz (1969, 1974) proved the validity of the M-M model under relaxed assumptions whereas Smith (1972), Krause and Litzenberger (1973), Baron (1974, 1975), and Scott (1976, 1977), supported the M-M model, but only under the conditions of risk free debt and costless bankruptcy. When bankruptcy has positive costs, there exists an optimal capital structure which is a trade-off between tax advantage of debt and bankruptcy costs.

The use of debt in the capital structure of the firm leads to agency costs. Agency costs arise as a result of the relationships between shareholders and managers and those between debt-holders and shareholders. The relationships can be characterized as principal-agent relationships stated by Jensen and Meckling (1976) Anup Chowdhury, Suman Paul Chowdhury (2010) in their study stated the impact of capital structure on the value of firm in the context of Bangladesh economy or industrial sector. The study resulting inferences were that maximizing the wealth of shareholders requires a perfect combination of debt and equity, whereas cost of capital has a negative correlation in this decision and it has to be as minimum as possible. This is also seen that by changing the capital structure composition a firm can increase its value in the market. Nonetheless, this could be a significant policy implication for finance managers, because they can utilize debt to form optimal capital structure to maximize the wealth of shareholders.

Anju Bala & Poonam Gautam (2014) in their study investigate the impact of debts on the capital structure patterns of the selected companies listed with the Bombay Stock Exchange in India and to test the extent of variations among industries as also among individual's, firms and companies within the same industry. The resulting inferences were that the capital structures among sampled industries investigated were significantly different.

Ranju Bhatia & Mukesh Trehan (2015) in their study examined the effect of debt equity ratio on the cost of capital and value of firm by using tools like Mean, Standard deviation, coefficient of variation and correlation. The study concluded that considering the sample units, no significant relation was found between debt equity ratio and cost of equity and the sample units does not provide empirical evidence regarding positive relationship between debt equity ratio and firm value.

STATEMENT OF PROBLEM

Capital structure is the important aspect in all industries in the process of decision making regarding source of finance. Cement industry is very large industry & required large quantity of finance for their day to day activities. Only when a correct decision is taken regarding debt equity combination in the company, it will decide the cost of capital and value of firm. For the above reasons it is important to understand & analyse the impact of capital structure on cost of capital & value of firm in cement industry.

OBJECTIVES OF THE STUDY

1. To study the composition of capital structure of selected cement companies
2. To examine the effect of debt equity ratio on the cost of capital and value of the firm
3. To study the relationship between capital structure, cost of capital and value of the firm.

HYPOTHESES OF THE STUDY

H₀: There is no significant relationship between capital structure, cost of capital and value of the firm.

H₁: There is a significant relationship between capital structure, cost of capital and value of the firm.

VARIOUS CONCEPTS OF COST OF CAPITAL

Cost of capital is the minimum required rate of return on investment or the price paid by the firm for procuring funds from investors by issuing specific type of security. Cost of capital acts as the benchmark for investment as well as financial decision of firm. For measuring overall cost of capital, cost of each component of capital is combined together also considering the weight allocated to it. So, weighted average cost of capital is computed.

COST OF DEBT

Debt may be issued at par, at premium or at discount; it may be perpetual or redeemable. The apparent cost of debt is the contractual rate of interest payable on debt. But as interest on debt is deductible for computation of tax, so this cost is adjusted for tax.

Debt of capital may be calculated with using following formula

$$K_d = I / NP (1-T)$$

K_d = Cost of Debt Capital

I = Interest

NP = Net Proceeds

T = Tax

COST OF EQUITY SHARE CAPITAL

The cost of equity is the minimum rate of return that a firm must earn on the equity financed portion of an investment project in order to leave unchanged the market price of the shares. The equity shareholders provide funds in expectation of dividend or capital gains. There are various approaches for computing cost of equity shares viz. Dividend to Market Price Ratio Approach, Earnings to Market Price Ratio Approach, Dividend to Market Price Ratio plus Growth Approach, Earning to Market Price Ratio plus Growth Approach. These approaches can be used if business earns profit.

Cost of equity is calculated under divided price approach as follows

$$K_e = D / NP$$

K_e = cost of equity capital

D = Expected dividend

NP = Net Proceeds

OVERALL COST OF CAPITAL

After determining cost of each specific component of capital, the overall cost of capital is ascertained on the basis of weighted average method. It lies between least and most expensive source of capital. The formula used for computing overall cost of capital is given below:

$$K_o = (WK_d + WKP + WKe) / \text{Total of Weights}$$

K_o = Overall cost of capital

W = Weight (On the Basis of Book-Value)

KP = Cost of Preference Share Capital

K_e = Cost of Equity Share Capital

K_d = Cost of Debt

VALUE OF FIRM

In this study, value of firm is measured with the help of following formula:

$$\text{Enterprise Value (E.V.)} = \text{Market Capitalization} + \text{Debt} - \text{Financial Assets}$$

RESEARCH METHODOLOGY

The study is based on secondary data during the period from 2010-11 to 2014-15 & a sample size of three cement companies in India on the bases of market capitalisation as on 10th July 2015 & listed in BSE and availability of required data for study period. The data was collected from the published sources like books, annual reports of companies & website of money control.com. The collected data will be analyzed by using Average, Standard deviation, coefficient of variance & correlation in order to verify the relationship between Capital structure, cost of capital & Value of firm.

TABLE 1: PROFILE OF SAMPLE COMPANIES

Rank	Name of the Company	Market Capitalisation (Rs. In crores)	Corporate office	Year of establishment
1	Ultratech Cement	85,363.84	Mumbai	1983
2	Shree Cement	38,460.30	Ajmer	1979
3	Ramco Cement	8,047.00	Chennai	1950

(Source: <http://business.mapsofindia.com/cement/top-10-cement-companies.html>)

RESULTS & DISCUSSIONS

TABLE 2: CAPITAL STRUCTURE, COST OF CAPITAL AND VALUE OF FIRM IN ULTRATECH CEMENT

Year	D/E	Trend	Kd	Trend	Ke	Trend	Ko	Trend	Value of firm	Trend
2010-11	0.25	1.00	0.05	1.00	0.60	1.00	0.49	1.00	33560.93	1.00
2011-12	0.30	1.20	0.04	0.78	0.80	1.33	0.62	1.27	44920.92	1.34
2012-13	0.29	1.16	0.03	0.64	0.90	1.50	0.71	1.44	55536.84	1.65
2013-14	0.28	1.12	0.06	1.03	0.90	1.50	0.71	1.46	64623.67	1.93
2014-15	0.35	1.40	0.10	1.84	0.90	1.50	0.69	1.41	85187.89	2.54
Average	0.29		0.06		0.82		0.65		56766.05	
SD	0.04		0.02		0.13		0.09		19684.00	
CV	12.40		43.90		15.90		14.49		34.68	
R			0.69		0.66		0.59		0.85	

(Source: calculated value from annual reports of the company)

The table 2 reveals that there is positive trend & relationship among capital structure (debt equity ratio), cost of debt, cost of equity, and overall cost of capital and value of firm in Ultratech cement during the year 2010-11 to 2014-15. The average debt equity ratio is 0.29. It shows that the ratio is below the standard norms of 0.5. The average cost of debt is 0.06, average cost of equity is 0.82 and average overall cost of capital is 0.65. It indicates that debt is a very cheap source of finance for Ultratech cement. The cost of debt varies more during the study period and use of debt is helping in reducing overall cost of capital. A positive correlation was found between debt equity ratio and cost of debt, cost of equity and value of firm. It implies that increased use of debt helps in enhancing the value of firm and a positive relationship between capital structure, cost of capital & value of firm in Ultratech cement.

TABLE 3: CAPITAL STRUCTURE, COST OF CAPITAL AND VALUE OF FIRM IN SHREE CEMENT

Year	D/E	Trend	Kd	Trend	Ke	Trend	Ko	Trend	Value of firm	Trend
2010-11	0.85	1.00	0.10	1.00	1.40	1.00	0.80	1.00	8425.16	1.00
2011-12	0.35	0.41	0.23	2.39	2.00	1.43	1.54	1.92	11010.89	1.31
2012-13	0.25	0.29	0.35	3.66	2.00	1.43	1.67	2.09	16870.97	2.00
2013-14	0.23	0.27	0.22	2.34	2.20	1.57	1.83	2.29	26165.63	3.11
2014-15	0.12	0.14	0.23	2.39	2.40	1.71	2.17	2.71	39763.24	4.72
Average	0.36		0.23		2.00		1.60		20447.18	
SD	0.29		0.09		0.37		0.51		12768.84	
CV	79.40		39.94		18.71		31.56		62.45	
r			-0.76		-0.97		-0.98		-0.74	

(Source: calculated value from annual reports of the company)

The table 3 reveals that the negative trend of Debt equity ratio and positive trend of cost of debt, cost of equity, overall cost capital and value of firm during the year 2010-11 to 2014-15. The average debt equity ratio is 0.36, average cost of debt is 2.00 and average overall cost of capital is 1.60. It indicates that debt finance is cheap a source compared to equity capital. The debt equity ratio varies more during the study period. There is negative correlation between debt equity ratio and cost of debt, cost of equity, overall cost of capital and value of the firm. It implies that decreased use of debt helps in enhancing the value of firm and a negative relationship between capital structure, cost of capital & value of firm in Shree cements.

TABLE 4: CAPITAL STRUCTURE, COST OF CAPITAL AND VALUE OF FIRM IN RAMCO CEMENT

Year	D/E	Trend	Kd	Trend	Ke	Trend	Ko	Trend	Value of firm	Trend
2010-11	1.14	1.00	0.06	1.00	1.25	1.00	0.62	1.00	4362.77	1.00
2011-12	1.03	0.90	0.08	1.38	2.50	2.00	1.28	2.07	5716.18	1.31
2012-13	0.84	0.74	0.10	1.67	3.00	2.40	1.68	2.72	7924.78	1.82
2013-14	0.90	0.79	0.10	1.60	1.00	0.80	0.57	0.93	7313.98	1.68
2014-15	0.86	0.75	0.09	1.46	1.50	1.20	0.85	1.37	9449.54	2.17
Average	0.95		0.09		1.85		1.00		6953.45	
SD	0.13		0.02		0.86		0.47		1971.45	
CV	13.37		18.46		46.42		47.19		28.35	
r			-0.92		-0.26		-0.38		-0.93	

(Source: calculated value from annual reports of the company)

The table 4 reveals the negative trend of Debt equity ratio and positive trend of cost of debt, cost of equity, overall cost of capital and value of firm during the year 2010-11 to 2014-15. The average debt equity ratio is 0.95. It was more than the normal standard norm of 0.5. Average cost of debt is 0.09, average cost of equity is 1.85 and average overall cost of capital is 1.00. It indicates that the debt finance is a cheap source as compared to equity during the study period. Value of firm has increased during the study period. It indicates that debt capital must be used in the capital structure upto some level after that using of debt may increase the cost of debt. The overall cost of capital varies more during the study period. There is negative correlation between the debt equity ratio, cost of debt, Cost of equity, overall cost of capital and value of the firm. It implies that decreased use of debt helps in enhancing the value of firm and there is a negative relationship between capital structure, cost of capital & value of firm in Ramco cement.

FINDINGS

- The average debt equity ratio of Ultratech cement is the least i.e. 0.29, compared to other two companies & has a higher value of firm i.e. 56766.05 crores. This shows that lower debt leads to an increase in the value of firm & decrease in overall cost of capital.
- The coefficient of variation of Ultratech cement being 12.40% is the least compared to other two companies, indicating that Ultratech cement is more consistent in its performance.
- The average overall cost of capital of Ultratech cement is 0.65 in comparison with Shree cement & Ramco cement i.e. 1.60 & 1.00 respectively. This shows that a proper use of debt in the capital structure can lead to decline in overall cost of capital as seen in case of Ultratech cement.
- There is positive correlation between debt equity ratio with cost of debt, cost of equity & overall cost of capital in case of Ultratech cement. Where as in case of Shree cement & Ramco cement there is negative correlation between debt equity ratio & cost of capital.
- The impact of debt equity ratio on the overall cost of capital and value of firm is very significant in relation to the sample companies.

RECOMMENDATIONS

There is an impact of capital structure on cost of capital and value of firm. The correlation has both negative & positive relationship between debt equity ratios, cost of capital and value of firm. It is recommended that firm must maintain optimal level of financial mix to minimize the cost of capital.

CONCLUSION

Capital structure is the mix of debt, preference share capital, equity share capital etc. It affects the cost of capital and value of the firm. The ultimate objective of business is to maximize the value of firm and thereby maximize the wealth of shareholders. Value of firm depends upon earnings of the firm which in turn depend upon the investment decisions of firm. The present study examines the capital structure of selected cement companies in India & its impact on cost of capital & value of the firm. The study reveals that there is significant impact of capital structure on cost of capital and value of the firm of sample companies during the study period.

SCOPE FOR FURTHER RESEARCH

The present study is restricted to cement industry; we can do same analysis & discussion in other industries to find out the impact of capital structure on cost of capital & value of firm.

REFERENCES

1. Anju Bala & Poonam Gautam (2014) Impact of debts on the capital structure patterns: a study of Companies listed on the Bombay stock exchange, International Journal of Research in Business Management Vol. 2, Issue 5, pp 105-112
2. Anup Chowdhury, Suman Paul Chowdhury (2010) Impact of capital structure on firm's value: Evidence from Bangladesh, Business and Economic Horizons, Volume 3, Issue 3, pp 111-122
3. Baron, D P (1974) Default Risk, Home-made Leverage and M-M Theorem, American Economic Review, 64, pp 176-82
4. Baron, D P (1975) Firm Valuation, Corporate Taxes and Default Risk, Journal of Finance, 30, pp 1251-64.
5. Chandra P (2011), Financial Management: Theory and Practice, Tata McGraw Hill publishing company Ltd New Delhi.
6. Durand, David (1963). The Cost of Capital in an Imperfect Market: A Reply to M-M, American Economic Review, 53
7. Jensen, Michael C. and William H. Meckling (1976) Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. Journal of Financial Economics 3: 305-360.
8. Kraus, A and Litzenberger, R H (1973) A State Preference Model of Optimal Financial Leverage, Journal of Finance, 28, pp 911-22
9. Modigliani, F and Miller M (1963) Corporate income taxes and the cost of capital: A correction, American Economic Review, Vol.53, pp.433-43.
10. Modigliani, F and Miller, M H (1958) The Cost of Capital, Corporation Finance and the Theory of 36 Investment, American Economic Review, 48, pp 261-97
11. Pandey, I M (2010), Elements of financial management, Vikas Publishing House, New Delhi.
12. Ranju Bhatia & Mukesh Trehan (2015), impact of capital structure on cost of capital and value of firm: an empirical study of power industry in India, South Asian Academic Research Journal, Vol.5, Issue 4, April 2015, pp 288-298
13. Scott Jr., J H (1976) A Theory of Optimal Capital Structure, Bell Journal of Economics, spring, pp 33-54
14. Scott Jr., J H (1977) Bankruptcy, Secured Debt and Optimal Capital Structure, Journal of Finance, 32, pp 261-73.
15. Smith, V L (1972) Default Risk, Scale and Home-made Leverage Theorem, American Economic Review, 62
16. Solomon, Ezra (1963) Leverage and the Cost of Capital, Journal of Finance, 18, pp 273-79
17. Stiglitz JE (1969) A Re-examination of M-M Theorem, American Economic Review, 59, pp 784-93
18. Stiglitz, J E (1974) On the Irrelevance of Corporate Financial Policy, American Economic Review, 62, pp 851-66

WEBSITES

19. <http://business.mapsofindia.com/cement/top-10-cement-companies.html>
20. www.moneycontrol.com

APPLICATION OF MULTIMEDIA DATA MINING TECHNOLOGY IN DIGITAL LIBRARY SYSTEM

DR. RAKESH KUMAR MISHRA
PROGRAMMER-CUM-SYSTEM INCHARGE (INFORMATION SCIENTIST)
CENTRAL LIBRARY
D. D. U. GORAKHPUR UNIVERSITY
GORAKHPUR

ABSTRACT

Multimedia data mining (MDM) Technology can be defined as the process of finding interesting patterns from media data such as audio, video, image and text that are not ordinarily accessible by basic queries and associated results. MDM Technology is the mining of knowledge and high level multimedia information from large multimedia database system. The digital library system retrieves, collects, stores and preserves the digital data. MDM technology is popular due to the conversion of the multimedia files in the libraries. This paper describes Multimedia data mining architecture and the various stages of domain understanding, data selection, cleaning/preprocessing, discovering patterns, Interpretation & reporting/using discovery knowledge.

KEYWORDS

MDM, ICT, data mining, KDD, data mining process, Digital Library.

INTRODUCTION

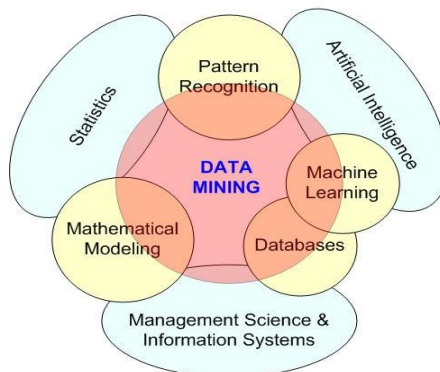
The meaning of term MDM technology means several data sources of different modalities are processing at the same time. The MDM’s primary purpose is to process media data alone or in a combination with other data for finding patterns useful for library systems. At present ICT (Information & Communication Technology) play a vital role to change the functions and activities of the libraries. Libraries are storehouses of information. Collection, storage, organization, processing & dissemination of information in all forms are their main function. Due to the development of digitization, mainly all libraries are digitizing their collection by converting their printed materials into digital form. There is various definition of MDM Technology, which are as follows-

Definition1- MDM is the exploration and analysis, by automatic or semi-automatic means, of large quantities of data in order to discover meaningful patterns and rules.

Definition2- Multimedia data mining (MDM) is a subfield of data mining that deals with an extraction of implicit knowledge, multimedia data relationship or other patterns not explicitly stored in multimedia database.

The goals of MDM are to discover useful information from large disordered data and to obtain knowledge from the information. There are mainly six tasks for MDM: summarization, association, classification, clustering, trend analysis and deviation analysis.

FIG. 1: APPLICATIONS OF DATA MINING



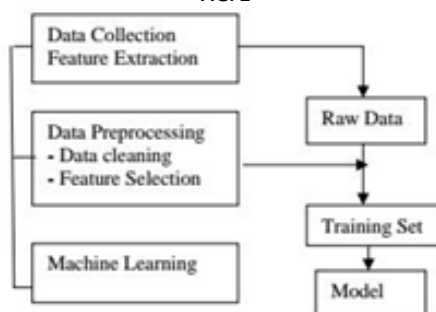
MDM is the combination of audio, video, text, images etc. and it the automatic extraction of patterns of information from historical data, enabling organization to focus on the next important aspects of their library services. Data mining is the process of automatic information discovery, which means that large quantities of data in order to discover meaningful patters and rules.

MDM technology is a part of multimedia technology, which covers the following areas like media compression/storage/restoration, media transformation & media editing/indexing/search/retrieval/summarization.

MULTIMEDIA DATA MINING ARCHITECTURE

The data mining process consists of several processes and stages, which are related to each other and interactive. The main stages of the data mining process are (1) domain understanding; (2) data selection; (3) cleaning and preprocessing; (4) discovering patters; (5) interpretation; and (6) reporting and using discovered knowledge. The domain understanding stage requires learning how the results of data-mining will be used so as to gather all relevant prior knowledge before mining.

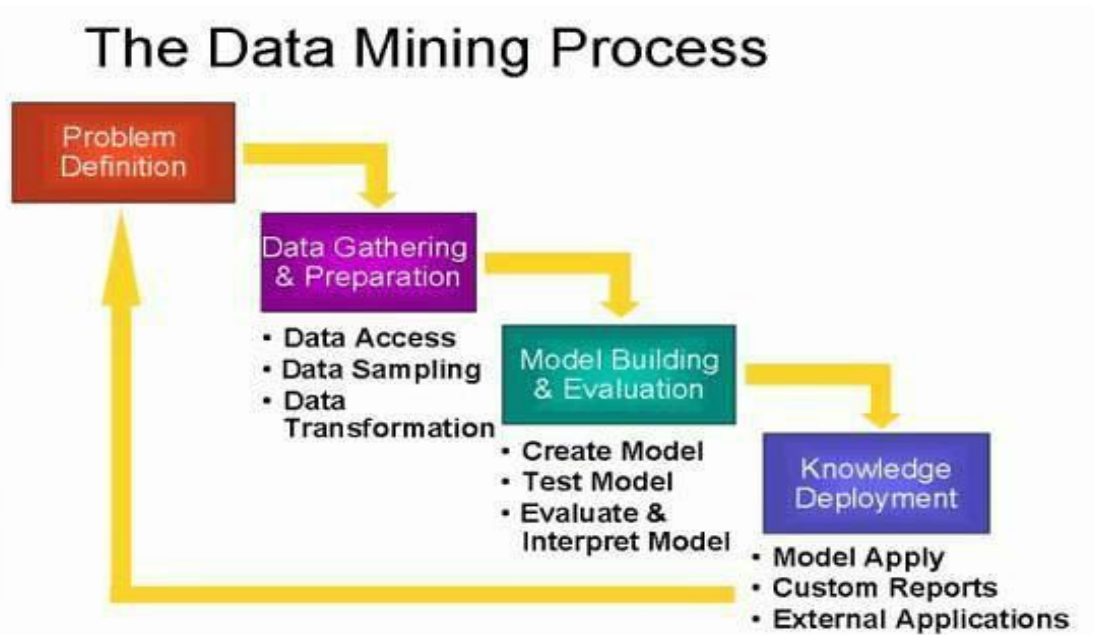
FIG. 2



DATA MINING

It is (the analysis step of the "Knowledge Discovery in Databases" process, or KDD), an interdisciplinary subfield of computer science, is the computational process of discovering patterns in large data sets involving methods at the intersection of artificial intelligence, machine learning, statistics, and database systems. The overall goal of the data mining process is to extract information from a data set and transform it into an understandable structure for further use. Aside from the raw analysis step, it involves database and data management aspects, data pre-processing, model and inference considerations, interestingness metrics, complexity considerations, post-processing of discovered structures, visualization, and online updating. The following figures shows us data mining.

FIG. 3



The data mining process involves a series of steps to define a business problem, gather and prepare the data, build and evaluate mining models, and apply the models and disseminate the new information.

According to Myatt any exploratory data mining project should include the following steps-

- Problem Definition:** The problem to be solved along with the projected deliverables should be clearly defined, an appropriated team should be put together and a plan generated for executing the analysis.
- Data Preparation:** Prior to starting any data analysis the data should be collected characterized, cleaned, transformed, and partitioned into an appropriate for processing.
- Implementation of the Analysis:** On the basic of the step 1 & 2, appropriate analysis techniques should be selected for implementation.
- Deployment of Results:** The results from step 3 should be communicated or deployed into a pre-existing process.

ISSUES IN MULTIMEDIA DATA MINING

Before multimedia data mining develops into a conventional, mature and trusted discipline, many pending issues have to be addressed. These issues pertain to the multimedia data mining approaches applied and their limitations. Major Issues in multimedia data mining include content based retrieval and similarity search, generalization and multidimensional analysis, classification and prediction analysis, and mining associations in multimedia data. Multimedia data mining needs content-based retrieval and similarity search integrated with mining methods. Content based retrieval in multimedia is a challenging problem since multimedia data needs detailed interpretation from pixel values. The objective of multi-dimensional analysis is to gain an insight into the meaning contained in databases. The multi-dimensional approach makes navigating the database easier, screening for a particular subset of data, or asking for data in a particular way, and being able to define analytical calculations.

MULTIMEDIA DATA MINING IN DIGITAL LIBRARIES

The Digital libraries retrieve stores and preserve the digital data. For this purpose, there is a need to convert different formats of information such as text, images, video, audio, etc. Thus, in the process of conversion of the multimedia files in the libraries, the data mining techniques are popular. The main requisite of Multimedia data mining is the collection of huge amounts of data. The key factor is the sample size when analyzing data because predicted trends and patterns are more likely to be inaccurate with a smaller sample. This data can be collected from various media, including videos, sound files, and images. Information from one or more of these media is the focus of data collection.

CONCLUSION

Multimedia data mining techniques is one of the active and growing areas in the digital library system. In digital libraries MDM techniques is needed for conversion and preservation of multimedia information.

REFERENCES

- "Data Mining Curriculum". ACM SIGKDD. 2006-04- 30. Retrieved 2011-10-28.
- Sanjeev kumar R. Jadhav, and Raveen Kumar Kumbargoudar, "Multimedia Data mining in digital libraries.
- Schatz, B., & Chen, H. (1996). Building large scale digital libraries. *Computq* 29(5),22-26

FORMAL REALIZATION OF CASE RELATIONSHIPS IN ODISIA

DR. RANJAN KUMAR DAS
 SR. COMPUTATIONAL LINGUIST
 APPLIED ARTIFICIAL INTELLIGENCE (AAI) GROUP
 C-DAC
 PUNE

DR. GOVINDA CHANDRA PENTHOI
 GUEST FACULTY
 DEPARTMENT OF LINGUISTICS
 BERHAMPUR UNIVERSITY
 BHANJABIHAR

ABSTRACT

Semantic parameters such as agency and affectedness are known to affect the realization of case-relationships. Case relation is a semantico-syntactic relationship in which abstract case features (roles) are mapped with their surface (morphological and syntactic) reflex. Arguments of a predicate (e.g. verb) play some semantic role (also called thematic role or θ -role) by virtue of the meaning of the predicate. This paper reviews work on formal realization of case relationships in Odia from the perspective of automated analysis by a natural language processing system. It compares different approaches like Fillmorean case and Chomskyan θ -role while analyzing a suitable formalism for describing case system of Odia. 'Case' in the sense of Paninian Karaka which, as a syntactico-semantic role, is assigned to the nouns as arguments of verbs will also be examined. The analysis ultimately shows how a case analyzer for Odia can be developed for natural language understanding system.

KEYWORDS

Odia, formal realization, case relationships.

1.0 INTRODUCTION

The notion of case is a universal feature of language, as if it forms a part of the human language faculty. Case theory provides an approach to the representation of sentence meaning and case is important in accounting for the way the structure of sentences relates to that of meanings. In other words, case relates the deep semantic-logical structure of sentence to the surface formal (syntactic) structure of language. Although different languages have different case systems, case as a grammatical property/principle is universal.

Fillmore (1968) characterized the relationships between the verb and noun phrase as "semantically relevant syntactic relationships" and called them *cases*. The case assignment comes from the deep structure, even though the surface structure is different. So, for example, the sentence "John opened the door with the key" is semantically equivalent to "The door was opened by John with the key."

Case relations [Cook 1979; Bruce 1975] describe the relation between a verb and the other components (typically nouns) of a single *proposition*. [A proposition, in logic (specifically in predicate calculus), is the semantic content of a sentence. Grossly, it is a simple sentence expressing a statement. It contains a predicate and a number of arguments related to the predicate.] Thus case relation is a semantico-syntactic relationship in which abstract case features (roles) are mapped with their surface (morphological and syntactic) reflex.

Principles and Parameters theory (Chomsky 1981) considers case-theory and theta-theory as the essential components of grammatical principles which play an important role in assigning semantic and structural well formedness to the expressions of language.

Following sections will have a discussion on this notion with reference to case systems of Odia language.

2.0 THEORETICAL BACKGROUND

Nouns of sentence bear some particular grammatical relations like *subject*, *object*, *indirect object*, etc. These are *not* the same as *thematic relations* (theta-relations), but have some correspondence with them. Grammatical relations represent how an NP (noun phrase) is functioning in the sentence syntactically. The morphology associated with grammatical relations is called *case*. For example, the *nominative case* is found with subjects, and the *accusative case* is found with objects. However, representation of case relations differs from language to language. In morphologically rich languages, nouns take special forms and there are special markers. On the other hand, English being a morphologically poor language, NPs in sentences bear no obvious case markings. Grammatical relations are represented by the position of the noun in the sentence. Following sentences (1) and (2) demonstrate case marking in English.

1) Ram slapped Shyam.

Ram-subject slapped-PAST Shyam-object [Ram-NOM slapped-PAST Shyam-ACC]

2) Shyam slapped Ram.

Shyam-subject slapped-PAST Ram-object [Shyam-NOM slapped-PAST Ram-ACC]

Both the nominative and accusative cases are present semantically/logically, but are marked by null (zero) marker. The information is coded in the positions of these NPs. This is called *abstract Case*. (Abstract Case normally has a capital C to distinguish it from morphological case).

In morphologically rich languages like Sanskrit and Odia, nouns which bear particular grammatical relations (or case relations) take special forms (called as case forms) marked with overt suffixes (case endings). For example, in Odia, subjects are marked with zero suffix, objects are marked with *-ku* /zero and indirect objects and certain adjuncts with *-ku*. A more detailed discussion will be followed.

We can, therefore, infer that all nouns indeed get case and *Case* is a general property of language. Furthermore, it seems to be associated with a syntactic phenomenon —the grammatical function (relations) of NPs, and reflects semantic relationships. If it is indeed a syntactic property, then it should have a structural trigger. In the case theory of Chomsky (1981), NPs are given *Case* if and only if they appear in specific positions in the sentence. In particular, nominative case is assigned in the specifier of finite verb, and accusative case is assigned to a complement/sister of the verb. Prepositions also assign what is often called 'dative' or other cases to their complement NPs.

A little more in-depth discussion is followed in the coming sections.

2.1 Argument Structure, Theta (Θ)-theory and case theory

Argument structure is the pattern of underlying relations between a predicate and its arguments / dependents. It is at the base of syntactic theory and syntax-semantics interface.

Argument is a term borrowed by linguistics from philosophy (specifically from predicate calculus) to describe the role played by particular types of referring expressions (i.e. a thing, person etc.) in the semantic structure of sentences. The semantic content of a sentence is called its *proposition* and it consists of a

predicate denoting an activity or event and arguments on which the predicate says something. For example, in the sentence *Rama killed Ravana*, *killed* is the predicate and *Rama* and *Ravana* are the arguments. Arguments of a predicate (e.g. verb) play some semantic role (also called thematic role or θ -role) by virtue of the meaning of the predicate.

Theta theory is concerned with the assignment of thematic roles (= semantic roles) to sentential constituents. By using lexical information (like theta roles) we are able to stop the X-bar rules from generating ungrammatical sentences. One way of encoding selectional restrictions is through the use of thematic relations. These are particular semantic terms that are used to describe the role that the argument plays with respect to the predicate.

The predicate defines the relation between the individuals being talked about and the real world as well as with each other. The arguments are the entities who are participating in the relation. Argument Structure defines the number of arguments that a predicate takes. Thus an intransitive predicate takes only one argument, a transitive predicate takes two arguments, and a ditransitive predicate takes three arguments. Some common thematic relations are:

Agent: The doer of an action (under some definitions must be capable of volition.)

Experiencer: The argument that perceives or experiences an event or state.

Theme (patient): The element undergoing the action or change of state.

Goal: The end point of a movement.

Recipient: A special kind of goal, found with verbs of possession (e.g., give).

Source: The starting point of a movement.

Location: The place an action or state occurs.

Instrument: A tool with which an action is performed.

Benefactive: The entity for whose benefit the action is performed.

In the sentence (3), we show argument structure and case.

3) Ram slapped Shyam.

Ram-Agent slapped-Predicate Shyam-Theme/Patient

SLAP <Agent, Theme>

Ram-NOM slapped-PAST Shyam-ACC

There is no one-to-one relationship between thematic relations and arguments. However, a theta role (θ role) maps one-to-one with arguments. Theta roles are bundles of thematic relations that cluster on one argument. Often particular theta roles are referred to by the most prominent thematic relation that they contain. The thematic relations are things like agent, theme, goal, etc. but theta roles are bundles of thematic relations assigned to a particular argument.

The Theta-Criterion of Principles and Parameters theory (Chomsky 1981) defines that

a) Each argument is assigned one and only one theta role.

b) Each theta role is assigned to one and only one argument.

The thematic relation of an NP with the verb plays a role in semantic interpretation of the sentence.

The case theory of Principles and Parameters theory (Chomsky 1981) defines that

(a) Case is assigned under government, and

(b) No NP which is lexically realized will be without a case (case-filter).

Thus all NPs in a sentence/clause must be assigned case.

3.0 CASE SYSTEM OF ODISIA

Odia is an inflection-rich language. Nominal inflection in Odia reflects morphosyntactic property of the nouns. A noun, when occurs in a sentence, has some sort of relationship with other words or word groups, namely, nouns, adjectives and verbs. Adjectives only modify the noun in a noun phrase. Noun-noun relationship is captured or expressed by genitive case marking. But in relation to the verb-form in the clause/sentence a noun has to play the role of one of the arguments of the verb and it has to be marked accordingly in the sentence. This argument-verb relation (related to Chomskyan θ -role) is captured in Paninian notion of Karaka (case) relation and expressed in terms of Vibhaktis (or case marking) which include case suffixes and post-positions in Odia. Thus a nominal in Odia is obligatorily inflected for case (karaka) along with number (Das 2003: 96). Of course, both can have null value.

Now let's have an elaborate discussion on case-relation and case inflection in Odia. 'Case' is an important notion for any complete description of any language, hence a part of UG. Case relation is a semantico-syntactic relationship in which abstract case features (roles) are mapped with their surface (morphological and syntactic) reflex. Arguments of a predicate (e.g. verb) play some semantic role (also called thematic role or θ -role) by virtue of the meaning of the predicate. The θ -roles are like AGENT, THEME, EXPERIENCER, RECIPIENT, GOAL, SOURCE, LOCUS, INSTRUMENT and many others, not fixed in number [Radford, 1997:326]. These universal relations are expressed in surface structure of a particular language by some specific mechanism. In Odia these are expressed by means of case markers or Vibhaktis which include both case-suffixes and post-positions (Das 2003: 97-98).

Post-positions are free forms and they bear some meaning of case relations. Altogether there are six such groups to reflect the case relations operative in Odia – following the insights of traditional Odia and Sanskrit grammarians in this respect.

This analysis follows Pāṇinian framework which is more suitable than Fillmorean (which is more deeper) and Chomskyan (where structural case is assigned to positions) approach for describing case system of Odia. Traditional grammars have followed this approach, but somewhere the notional clarity had been lost. We use 'case' in the sense of Paninian Karaka which, as a syntactico-semantic role, is assigned to the nouns as arguments of verbs. It is a bit shallow (surface structure oriented) than θ -role.

At the first place we show a tentative correspondence between Karakas and θ -roles (4) and then Karakas and case markers (Vibhaktis) in Odia (5).

(4)

CORRESPONDENCE BETWEEN CASE-ROLES AND THETA-ROLES			
Case-Role			θ -Role
• Karta	Nominative	(K ₁)	Agent, experiencer, force
• Karma	Accusative	(K ₂)	Theme, patient, content, result, goal
• Karana	Instrumental	(K ₃)	Instrument
• Sampradana	Dative	(K ₄)	Beneficiary
• Apadana	Ablative	(K ₅)	Source
•	Genitive	(K ₆)	
• Adhikarana	Locative	(K ₇)	Location in time and space

Genitive is not a case-role in Paninian sense. It shows a relationship between two nominals. On the basis of surface similarity of genitive suffixes with case suffixes (being a relational marker and different from number suffixes) we include them with the latter, although incorrectly. (Das 2003: 99)

In this article we use the term 'K-role' as Karaka role or case role. In Odia sentences, any argument of any verb has to have any one of these six K-roles (leaving K₆). These six K-roles are the only grammatically (formal) relevant relations in Odia language. The situation may be different for different languages.

- he 10 o'clock-LOC table-LOC book put-TAM-AGR
 'He put the book on the table at 10 o'clock'.
 f. se tebul re cak᳚᳚ dwara b᳚hi r᳚k^ha-il-e
 he table-LOC servant-INST book put-CAUSE-TAM-AGR
 'He made the servant put the book on the table'.

(10)

- a. K₁ (K₇-Temporal)(K₇-Spatial)[so-]_v *K₂*K₃*K₄*K₅
 b. K₁ (K₇-T) (K₇-S) K₂ [sua-]_v *K₃*K₄ *K₅
 c. K₁ (K₇-T) (K₇-S) K₂ [k^ha-]_v (K₃) * K₄ (K₅)
 d. K₁ (K₇-T) (K₇-S) K₄ K₂ [k^hua-]_v (K₃) (K₅)
 e. K₁ (K₇-T) K₇-S K₂ [r᳚k^h-]_v *K₃ * K₄ *K₅
 f. K₁ (K₇-T) K₇-S K₃ K₂ [r᳚k^h-]_v * K₄ *K₅

From the illustrations (9) and (10) it is evident that all the verbs do not have same argument structure (K-role structure, in our terminology). Even different arguments of a verb do not have same status. Some are mandatory, some are optional (with different degree), and even some are not-possible (marked by asterisk). Optionality is marked by simple brackets.

The locative K-role (K₇) with varieties of temporal and spatial can optionally occur almost with all verbs. But it is mandatory in case of verbs like /r᳚k^h-/ 'put'. A causative verb gets one more mandatory K-role than the root verb which may be intransitive or transitive.

Another observation we can make is that although the case markers for accusative (K₂) and dative (K₄) are same /-ku/ and its variant /-ki/, by syntactic behaviour they are different. An accusative /-ku/ can be deleted, (9 c,d,e,f), from the word, whereas the dative /-ku/ cannot (9d). But still, /-ku/ in Odia is overloaded with two case roles and it poses a problem for analysis.

3.1. Surface forms of the case inflected nouns in Odia

Now let us see the surface forms of the case inflected nouns in Odia. Case suffixes or post-positions are added to the nominal stem in the following canonical form.

(11)

[[W]_N + (NUMBER-HONORIFIC-DEFINITIVE) + CASE

Here the nominal base is appended with a marker representing number-gender/honorific-definiteness, if present – otherwise null, and then at the end there will be a case marker.

Sometimes, with the addition of case marker, the nominal base undergoes some change in form – in Odia it is mostly at the boundary. This changed form is called as *oblique form* of the base. The genitive form serves as the oblique base in Odia. It is to understand here that this is simply a surface morphological process very common with the languages. It is not triggered by any syntactic or semantic requirement of the language. Thus we have three forms of nominal base for case marking – direct, accusative-dative and oblique. For illustration consider the paradigm in (12).

(12)

	/pila/ 'child' Noun: Human, -Honorific		/guru/ 'teacher' Noun: Human, Honorific	
	Singular	Plural	Singular	Plural
(K ₁)	pila	pila mane	guru	guru mane
(K ₂)	pila ku	pila man ᳚᳚ ku	guru ᳚᳚ ku	guru man ᳚᳚ ku
(K ₃)	pila dwara	pilaman ᳚᳚ k᳚ dwara	guru ᳚᳚ k᳚ dwara	guru man ᳚᳚ k᳚ dwara
(K ₄)	pila ku	pila man ᳚᳚ ku	guru ᳚᳚ ku	guru man ᳚᳚ ku
(K ₅)	pila t ^h aru	pila man ᳚᳚ k᳚ t ^h aru	guru ᳚᳚ ka t ^h aru	guru man ᳚᳚ k᳚ t ^h aru
(K ₆)	pila r᳚	pila man ᳚᳚ k᳚ r᳚	guru ᳚᳚ ka r᳚	guru man ᳚᳚ k᳚ r᳚
(K ₇)	pila t ^h are	pila man ᳚᳚ k᳚ t ^h are	guru ᳚᳚ ka t ^h are	guru man ᳚᳚ k᳚ t ^h are

Following observations may be made from the paradigm (12):

(13)

- (i) /-᳚᳚-/ is a honorific marker; human-plural is honorific in Odia [animate-plurals in most cases are also honorific].
 (ii) Plural suffix /-mane/ becomes oblique /-man᳚᳚-/ before case markers.
 (iii) The (minimal) genitive form serves as the oblique base for other case marking except nominative, accusative-dative.

4.0 CONCLUSION

The above analysis ultimately demonstrates the problem in an unambiguous analysis of case in Odia. A case analyzer is useful for developing a natural language understanding system and grammar analyzer.

The problem we face here is that some of the case suffixes of Odia have multiple mappings with case-relations. For example, /-ku/ (and /-ki/) is mapped with K₂ and K₄; /-re/ is mapped with K₃ and K₇. To devise an automated case analyzer, we need to take care of these ambiguities. Any analyzer that considers only the case-forms or case suffixes will fail to resolve case ambiguity of this type. We need additional information like the behavior of verb-forms and their contexts in sentences/phrases. An exhaustive study of verbs of Odia and their classification, as demonstrated in (10), can be helpful in resolving this problem of ambiguity. Then we will be able to extract the semantic role of the nominals in a sentence.

REFERENCES

- Bruce, B. (1975). "Case Systems for Natural Language." *Artificial Intelligence* 6, 327-360.
- Chomsky, N. (1981). *Lectures on Government and Binding*. Foris, Dordrecht.
- Cook, W.A. (1979). *Case Grammar: Development of the Matrix Model*. Washington: Georgetown University.
- Dalai, U.P. (1996), "Use of Post-Position in Oriya", *IJDL*, Vol.XXV, No.2, pp.78-85.
- Das, R.K. (2003) *A Study of Oriya Language: An attempt towards a holistic approach*. unpublished doctoral dissertation, Berhampur University, Odisha.
- Fillmore, C. (1971). Types of lexical information. In D. D. Steinberg & L. A. Jakobovits (Eds.), *Semantics: An interdisciplinary reader* (pp. 370-392). London: Cambridge University Press.
- Fillmore, C. (19b8). The case for case. In E. Bach & R. T. Harms (Eds.), *Universals in Linguistic Theory* (pp. 1-88). NewYork: Holt, Rinehart & Winston.
- Fillmore, C.J. (1977). "The Case for Case Reopened." *Studies in Syntax and Semantics* 8, 59-81.
- Grimshaw, J. (1990). *Argument Structure*, MIT-press, Cambridge, Mass.
- Jackendoff, R. (1990). *Semantic Structures*, Cambridge, MIT-Press.
- Minsky, M. (1981). "A Framework for Representing Knowledge." In J. Haugeland, ed., *Mind Design*. Cambridge: MIT Press, 95-128.
- Mohanty, P. (1987), "An Argument for three cases in Oriya", *IJDL*, Vol.XVI, No.2.
- Scalise, S. (1984). *Generative Morphology*, Foris, Dordrecht.
- Spencer, A. (1991). *Morphological Theory*, Blackwell, Oxford.

STUDY OF ACADEMIC ACHIEVEMENT OF ADOLESCENT STUDENTS IN RELATION TO THEIR FAMILY CLIMATE AND AGGRESSION

GURKIRAN KAUR
ASST. PROFESSOR
SAINT KABIR COLLEGE OF EDUCATION
KAULI

ABSTRACT

The present study is an attempt to study the academic achievement of adolescent students in relation to their family climate and aggression. Two hundred adolescent students were selected as a sample of study. Family climate scale by Dr. Beena Shah and Aggression Scale by Dr. G. P. Mathur and Dr. Raj Kumari Bhatnagar and Academic Data Blank were used to assess the Family Climate, Aggression and Academic Achievement of the students respectively. After analysis it was found that (1) Students with favourable family climate have higher academic achievement than students with unfavourable family climate. (2) Students with favourable family climate have lower aggression level than students with unfavourable family climate. (3) There is no significant relationship between academic achievement and aggression of adolescent students. (4) Girls have better academic achievement than boys. (5) There is no significant difference in the family climate of boys and girls. (6) There is no significant difference in the aggression among boys and girls.

KEYWORDS

academic achievement, family climate, aggression.

INTRODUCTION

Education is a form of learning in which the knowledge, skills and habits of a group of people are transmitted from one generation to next through teaching, training or research. Education in the broader sense, is any act or experience that has a formative effect on the mind, character or physical ability of a person. In modern world of technological innovations, all educational institutions are trying to improve their quality in terms of facilities and academic excellence. Learners are conscious about the drastic change occurring in the field of education and are aware of numerous courses and venues of employment. Adolescent is the most important period of human life. It is the period during which boys and girls move from childhood to adulthood mentally, emotionally, socially and physically. They have to go through many emotional upheavals and storms. It has been called as a period of challenge and potential.

Family climate plays an important role in determining cognitive, social and intellectual development of child. The things learnt in the family becomes an integral part of their life. Family is said to be the first school of child. Child learns so many things from his family members. Mother is said to be the first teacher of child. Adolescents are strongly influenced by their parents whatever they feel, observe is reflected in their actions. Family climate exerts tremendous effect on child's behaviour, growth, development, adjustment, self-concept, self-confidence, attitude, habits, academic achievement, style of living etc. The family climate constitutes family members and environment in which child develops. Family climate includes social and physical activities of a child and his family members. If the home environment is not appropriate according to the needs of the child, then it leads to maladjustment of child and results in frustration and aggression. Grych (2001) studied that inter parental conflict has a negative influence on children. Brotman et.al. (2009) found that parenting can also be a factor in aggression, specifically relational aggression. Harsh parenting shows a positive relationship with physical aggression in children, whereas higher levels of responsive parenting and stimulating parenting promote lower level of physical aggression.

Aggression in the behaviour of adolescent is a very serious problem. Aggression is a result of suppressed emotions and feeling which in turn often result in misbehavior and maladjustment. Aggression is an outcome of anger, which is a powerful emotion and which has often resulted in hostility and destruction. Anger and aggression are usually paired together, anger is normal human emotion and it is how people normally responds to threats and it inspires powerful often aggressive feeling that make people to fight. Campell et.al.(2000) found that causes of aggression include work on social learning, imitation, family violence, child abuse, neglect, school aggression, T.V. violence, malnutrition, structures and functional brain abnormalities and hormones etc.

Hadley (2003) concluded that boys often engage in physical aggression whereas girls are more likely to exhibit what has been termed as relational aggression such as exclusion of others from other social group and slander. Aggression takes variety of forms among human beings and it can be physical, or verbal and indirect aggression.

- Physical aggression: It includes such behavior as punishing, hitting, stepping, backing, biting, hair cutting, staffing, shooting and rape.
- Verbal aggression: It includes threatening and intimidating others and engaging is malicious, testing, taunting and name calling.
- Indirect aggression: It includes such behavior as gossiping, spreading rumours and encouraging others to reject or exclude someone.

Today's modern society expects everyone to be a high achiever. The key criteria to be judge one's true potentiality and capabilities is perhaps academic achievement. Academic achievement has become an index of a Child's future. Therefore, it is putting great pressure on the minds of children and their parents. This academic achievement is a function of cognitive and co-cognitive aspects of personality and is the resultant of various factors like personal, social, economic and other. Academic achievement depends on number of factors such as adjustment, mental ability, interest, physical and social environment of child etc. It becomes the duty of school and the parents to provide opportunities to the children to succeed in one field or the other. The pupil in order to perform better, has to give diligent attention, concentrate sufficiently for attainment of desired goals and step wise movement in the direction of the corrected objectives.

JUSTIFICATION OF THE PROBLEM

It is said that adolescence is the period of stress and strain, storm and strive as in this stage many changes takes place such as physical, emotional, intellectual etc. which leads to the problems in their adjustment.

The family climate of adolescent students plays an important role in their life and it affects their performance in school. Sometimes expectations and aspirations of parents are so high. They expect a lot from their children and sometime they also put pressure and compel their children to do a particular task against their wishes. When adolescent is compelled to do task against his wishes then it affects their academic achievement.

High expectations of parents from the children which they feel they are not able to fulfil leads to aggression in the students. The unhealthy family child relationship leads to aggression in them and it adversely effects their academic achievement. The parents and teachers have to adjust with the children. The teachers and parents should act intelligently to give free, healthy conducive environment to the adolescents so as to avoid unhealthy behavior and help them in achieving their educational goals. Thus the present study is worthwhile to study the academic achievement of adolescent students in relation to their family climate and aggression.

OBJECTIVES

The study was conducted to attain the following objectives:

1. To study the academic achievement of adolescent students in relation to their family climate.
2. To study the academic achievement of adolescent students in relation to their aggression.
3. To study the relationship between family climate and aggression among adolescent students.

4. To study the difference in the academic achievement of boys and girls.
5. To study the difference in the family climate of boys and girls.
6. To study the difference in the aggression among boys and girls.

HYPOTHESES

The study was conducted to test the following Hypotheses:

1. There is no significant relationship between academic achievement and family climate of adolescent students.
2. There is no significant relationship between academic achievement and aggression of adolescent students.
3. There is no significant relationship between family climate and aggression among adolescent students.
4. There is no significant difference in the academic achievement of boys and girls.
5. There is no significant difference in the family climate of boys and girls.
6. There is no significant difference in the aggression among boys and girls.

RESEARCH DESIGN OF THE STUDY

The present study falls under the domain of descriptive type of research as it intended to study the academic achievement of adolescent students in relation to their family climate and aggression.

SELECTION OF SAMPLE

In order to conduct the study, 8 government and government aided schools were selected randomly from Amritsar District. Out of these selected schools 100 boy students and 100 girl students were taken from 10th class. After the selection of the students Family Climate Scale by Dr. Beena Shah and Aggression Scale by Dr. G.P. Mathur and Dr. Raj Kumari Bhatnagar were administered. For Academic Achievement marks obtained by students in 9th class were considered.

TOOLS

1. Family Climate Scale by Dr. Beena Shah.
2. Aggression Scale by Dr. G.P. Mathur and Dr. Raj Kumari Bhatnagar.
3. Academic Data Blank.

STATISTICAL TECHNIQUES

In the present study, to analyze the data the various statistical techniques like mean, standard deviation, t-test and correlation were employed. In order to test the hypotheses formulated for the present study, the scores obtained from different tests were subjected to statistical analysis and interpretation.

RESULTS AND DISCUSSION

Hypothesis-I

The first hypothesis stated "There is no significant relationship between academic achievement and family climate of adolescent students". The first hypothesis was framed to analyze the correlation between academic achievement and family climate of adolescent students. Pearson's product moment correlation was applied to study the intensity of inter relationship between two variables. The result of this analysis is reported in the Table 1.

TABLE 1: SHOWING CORRELATION BETWEEN ACADEMIC ACHIEVEMENT AND FAMILY CLIMATE (N=200)

Variables	df	r	Inference
Family Climate	198	0.242	Significant
Academic Achievement			

It may be observed from the Table 1 that coefficient of correlation between academic achievement and family climate of adolescent students was found to be 0.242 which is significant at 0.01 level of confidence. This indicates that there exists significant relationship between academic achievement and family climate of adolescent students. The positive sign of correlation indicates that favorable is the family climate, higher is the academic achievement of adolescent students. Reason for this may be that family is said to be the first school of child. Child learns healthy habits from the family. Good and conducive family environment encourages the child to have better achievement. Also parents devote more time to their children and are concern about their achievement which in turn contribute to higher academic achievement.

Hypothesis-II

The second hypothesis stated, "There is no significant relationship between academic achievement and aggression of adolescent students". The second hypothesis was framed to analyze the correlation between academic achievement and aggression of adolescent students. Pearson's product moment correlation was applied to study the degree of correlation between these two variables. The result of this analysis is reported in the Table 2.

TABLE 2: SHOWING CORRELATION BETWEEN ACADEMIC ACHIEVEMENT AND AGGRESSION (N=200)

Variables	df	r	Inference
Aggression	198	0.124	Not Significant
Academic Achievement			

It may be observed from the Table 2 that coefficient of correlation between academic achievement and aggression of adolescent students was found to be 0.124 which is not significant at 0.05 level of confidence. This indicates that there exists no significant relationship between academic achievement and aggression of adolescent students. Reason for this may be that aggressive behaviour is simply the reaction to a situation whereas academic achievement depends on number of factors such as school environment, family environment, teaching learning style etc.

Hypothesis-III

The third hypothesis stated, "There is no significant relationship between family climate and aggression among adolescent students". The third hypothesis was framed to analyze the correlation between family climate and aggression among adolescent students. Pearson's product moment correlation was applied to study the degree of correlation between these two variables. The result of this analysis is reported in the Table 3.

TABLE 3: SHOWING CORRELATION BETWEEN FAMILY CLIMATE AND AGGRESSION (N=200)

Variables	df	r	Inference
Family Climate	198	-0.139	Significant
Aggression			

It may be observed from the Table 3 that coefficient of correlation between family climate and aggression of adolescent students was found to be -0.139 which is significant at 0.05 level of confidence. This indicates that there exists significant relationship between family climate and aggression among adolescent students. The negative sign of correlation indicates that adolescents with favourable family climate have low aggression level and adolescents with unfavourable family climate have high aggression level. Meaning thereby that favourable is the family climate, lower is the aggression level. Reason for this may be that family is the

first and major agency of socialization where child learns all socially desirable values. Favourable family climate develops in child the capacity to identify non aggressive solution to the problems whereas unfavourable family climate makes them aggressive. The present findings in tune with the finding of Grych (2001). He found that inter parental conflict has a negative influence on children

Hypothesis-IV

The fourth hypothesis stated "There is no significant difference in the academic achievement of boys and girls".

To test the hypothesis, t-test was applied on the academic achievement scores obtained by boys and girls. The result of this analysis is reported in the Table 4.

TABLE 4: SHOWING MEAN SCORES OF ACADEMIC ACHIEVEMENT OF BOYS AND GIRLS (N=200)

Sex	Mean	Standard Deviation	t-value	Inference
Boys	371.88	86.69	3.343	Significant
Girls	412.97	87.11		

It may be observed from the Table 4.4 that the mean scores of boys were 371.88 and standard deviation was 86.69, whereas mean scores of girls were 412.97 and standard deviation was 87.11 and the obtained t-value of 3.343 was found to be significant at 0.01 level of confidence. This indicates that the two groups differ significantly on mean academic achievement scores.

Further analysis of the Table 4 shows that mean scores of girls are higher than boys. This means girls have better academic achievement than boys. Reason for this may be that girls are more serious about studies and devote more time on studies than on other activities as compare to boys. So significant difference is apparent in their academic achievement. The present finding is in tune with the study of Zembar and Blume (2011). They found that girls do better in school than boys. Girls get higher grades and complete high school at a higher rate as compared to boys.

Hypothesis V

The fifth hypothesis stated, "There is no significant differences in the family climate of boys and girls".

To test the hypothesis, t-test of significance was applied on the family climate scores obtained by boys and girls. The result of this analysis is reported in the Table 5.

TABLE 5: SHOWING MEAN SCORES OF FAMILY CLIMATE OF BOYS AND GIRLS (N=200)

Sex	Mean	Standard Deviation	t-value	Inference
Boys	104.01	24.35	0.640	Not Significant
Girls	101.98	20.34		

It may be observed from the Table 5 that the mean scores of boys were 104.01 and standard deviation was 24.35, whereas mean scores of girls were 101.98 and standard deviation was 20.34. The obtained t-value of 0.640 was not found to be significant at 0.05 level of confidence. This indicates that boys and girls do not differ significantly on mean family climate scores. Reason for this may be that now a days parents give equal importance to both boys and girls and treat them equally. So, no significant difference is apparent in the family climate of boys and girls.

Hypothesis VI

The sixth hypothesis states, "There is no significant difference in the aggression among boys and girls".

To test the hypothesis, t-test of significance was applied on the aggression scores obtained of boys and girls. The result of this analysis is reported in the Table 6.

TABLE 6: SHOWING MEAN SCORE OF AGGRESSION OF BOYS AND GIRLS (N=200)

Sex	Mean	Standard Deviation	t-value	Inference
Boys	172.40	28.95	0.501	Not Significant
Girls	170.44	26.37		

It may be observed from the Table 6 that the mean scores of boys were 172.40 and standard deviation was 28.95, whereas mean scores of girls were 170.44 and standard deviation was 26.37. The obtained t-value of 0.501 was not found to be significant event at 0.05 level of confidence. This indicates that boys and girls do not differ significantly on mean aggression scores. Reason for this may be that now a days boys and girls have equal opportunities and they have equal exposure both in school as well as at home. So their tendency to react to a situation is almost the same. So, no significant difference is apparent in their aggression level. The findings of the present study are also in tune with the finding of J.E Lansford (2012), who found that there is no significant differences in the aggression of boys and girls.

FINDINGS

1. There is significant relationship between family climate and academic achievement of adolescent students. Favourable is the family climate, higher will be the academic achievement.
2. There is no significant relationship between academic achievement and aggression of adolescent students.
3. There is negative and significant relationship between family climate and aggression among adolescent students. Favourable is the family climate, lower is the aggression level among the students.
4. There is significant difference in the academic achievement of boys and girls. Girls have better academic achievement than boys.
5. There is no significant difference in the family climate of boys and girls.
6. There is no significant difference in the aggression among boys and girls

EDUCATIONAL IMPLICATIONS

The findings of the study suggest that higher is the family climate higher is the academic achievement so the parents should provide conducive environment to the children to develop their abilities and potentialities. Parent should devote more time to their children and should have check on their activities. Also family climate has impact on aggression level of adolescents so parents should encourage their children to release their tension through various kinds of aggressive plays. Suitable guidance should be provided to them to engage them to deal non aggressively with the situation and to use their emotions in appropriate manner at appropriate time.

LIMITATIONS

The present study was conducted under certain limitations.

1. The sample was small. The present study was confined only to 200 students.
2. The present study was confined to government and government aided schools.
3. It was also confined to X class.
4. The area of investigation covered by the investigator was only Amritsar district.

SCOPE FOR FURTHER RESEARCH

1. The present study should also be conducted on lower classes as well as higher classes.
2. The present study should be extended to many other districts.

REFERENCES

1. Best, J.W. (1983). "Research in Education". Prentice Hall of India Pvt. Ltd, New Delhi.
2. Brotman, L., Rosex Felt, A. & Shrout P.E. (2009). "An Experimental test of painting practices as a mediator of Early childhood physical aggression." *Journal of Child Psychology and Psychiatry*, 5(3),235-245
3. Campbell, J.C., Woods, A.B. & Parker, B. (2000). "Reproductive health consequences of intimate partner violence." Guilford Press, New York.
4. Grych, J.H. (2001). "Interparental conflict and adolescent dating relationship: integrating cognitive, emotional and peer influences." *Journal of family psychology*, 18,505-515.
5. Hadley. (2003). "Relational, Indirect adaptive or Just Mean: Recent work on aggression in adolescent girls" Part-I. *Studies in Gender and sexuality*, 4(1), 367-394.
6. Lansford, J.E.(2012). "Boys and girls relational and physical aggression in nine countries." *Aggress behav*, 38 (4), 298-308.
7. Zember and Blume (2011). "Adolescent aggression: Effect of gender and family and achievement". *Journal of Adolescent*, 31(4),433-450.

IMPACT OF ONLINE SERVICES & SCHEMES OFFERED BY ING VYSYA BANK MERGED WITH KOTAK MAHINDRA ON CUSTOMERS

DR. ARCHANA DADHE
ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT SCIENCES & RESEARCH
G. S. COLLEGE OF COMMERCE & ECONOMICS
NAGPUR

ABSTRACT

Undoubtedly, Internet banking is the device with the help of which customers can manage their financial accounts easily & conveniently. In my study most of the customers replied that online banking tool is very convenient for them as most of them would like to do the transactions with the help of Internet Banking. If the Banking Industry would like to attract new customers & retain existing ones, all devices, features & methodology used for transaction should be up to date & Innovative. ING VYSYA bank merged with Kotak Mahindra understands the worth of Innovative & upgraded technology which can be the major competitive advantage to intensify the association with customers & can attract the new ones. Innovative technology helps them to identify from the competitors. Today's financial marketplace is very competitive. Customers can any time switch to competitors with more handy & enlightened online capacity which can pose a threat to the companies. The process used for conversion of Internet Banking services is very easy and not much expensive.

KEYWORDS

competitive advantage, online capabilities, Platform, Zwipe, Platina.

INTRODUCTION

Each decade presents its own opportunities and challenges to a company management. A few years ago, Indian companies operated in highly regulated protected environment. It was mostly a seller's market. Whatever was being offered to consumers was being sold.

Business environment is undergoing rapid fire changes, mostly inspired by rapid development in technology. All over the world, people are demanding more amenities, thus, turning the whole world, in to a potential market for every business. The world is becoming competitive. Therefore, marketing strategies are designed keeping in mind the changing business environment in a competitive world.

Whenever we talk about marketing customer satisfaction is the terminology used everywhere. Customers have certain expectations from the companies. The products & services provided by the company should meet or surpass customer expectation. Customer satisfaction is the key element of any business. Customer satisfaction is defined as the percentage of total customers who are satisfied with the products and services supplied by the firm. It is a crucial performance index for every organization. Customer satisfaction is a crucial discriminator in the competitive marketplace where businesses compete for customers so the essential element of business strategy.

A purchase may lead either to satisfaction or dissatisfaction. Satisfaction is a result of expected outcome, when the product meets our expectations. Dissatisfaction means it does not perform as per our expectations. Dissatisfied customers may discontinue their association with the company, may spread negative word of mouth.

ING Vysya Bank (Kannada: ಐ.ಎನ್.ವಿ ವೈಶ್ಯ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್) is a privately owned Indian multinational. Purchased an equity stake in Vysya Bank by the Dutch ING Group. This was the first merger with foreign bank. Before this merger ING Group had a strategic alliance with Belgian bank. It was acquired in 1998 by ING Vysya. Banquet Bruxelles Lambert is the first Belgian bank which is listed in Brussels. ING Vysya Bank had a seven-year-old strategic alliance with Belgian Bank. ING Vysya bank was based in Bangalore & is a seventh largest bank in India. This bank has 1000 outlets & 527 branches. Their customer base is over 2 million. Institutional stakeholders have 44% equity stake in Bank.

The New Indian Express has ranked ING Vysya Bank as the safest Banker. The Economic Times has awarded it as the most trusted Private sector bank.

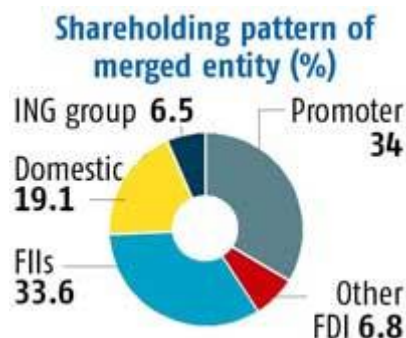
Kotak Mahindra Bank had made an announcement in 2015 that they are acquiring ING Vysya Bank. For every 1000 shares all ING stakeholders will get 725 Kotak bank shares. The top three largest private banks in the country are ICICI, HDFC & Axis Bank. The Kotak Mahindra will be the fourth in the private bank chain. This merger will have worldwide nexus about 1214 branches all over the country.

This contract will be helpful for Uday Kotak as it will reduce the promoters stake in the Kotak bank. Right now it is 40 % & it can come down to 34 % as demanded by Reserve Bank of India.

Reserve Bank of India has given certain specifications to Kotak Bank that promoters shareholding should come down to 30 % by December 2016. This contract entails a price of Rs. 790 per ING Vysya share

The foreign shareholding's value of equity of ING vysya is around 74 %. This deal will produce more liquidity. As per the press, this deal will give 47 % foreign shareholding. There is a 42 % stake of promoters in ING Vysya Bank. After this deal ING will be second greatest shareholder with 64 % stake. RBI's as well as promoters acceptance will be required for the institution if one would like to have additional five percent stake in the Bank.

As per the Uday Kotak there will be one year lock in period for the shares one holds. Kotak Banks Board will also install ING agents.




BANKING ON SYNERGY

(₹ crore)	Kotak	ING Vysya	Kotak+ING Vysya
Advances*	60,948	39,558	1,00,506
Deposits*	68,103	44,652	1,12,755
Branches (numbers)	641	573	1,214
Current market cap	89,253	15,483	1,04,735

PECKING ORDER TO CHANGE

Largest listed private banks by total business (after merger)

Rank	Bank	Total business (₹ cr)*
1	HDFC Bank	7,17,955
2	ICICI Bank	7,13,813
3	Axis Bank	5,25,926
4	Kotak + ING Vysya	2,13,261
5	YES Bank	1,42,161
6	IndusInd Bank	1,25,927
7	Federal Bank	1,13,030
8	J&K Bank	1,08,045
9	South Indian Bank	82,065
10	KarurVysya Bank	79,980



STOCKS GAIN

Kotak Mahindra

Previous dose: ₹1,078.5	Thursday close: ₹1,157.1
Rise: 7.28%	

ING Vysya Bank

Previous dose: ₹759.9	Thursday close: ₹814.2
Rise: 7.15%	

* As of Sep 2014. Source: Capitaline/Banks. Compiled by BS research Bureau.

ING's electronic technological banking power will give maximum advantage after this deal as ING was one of the topmost bank in Germany in terms of consumer bank with zero branch presence. Ing has competence in International corporate banking which will provide maximum advantage to the Kotak. Western part of the country is having maximum presence of ING branches as compared to south India. But this contract will give the roadmap for south India. There would be very little overlap in terms of branches and the top eight cities would account for a third of the total number of branches of the merged entity. ING's 46 % branches are in western India. ING is having a clientele base of small & Medium enterprises & Kotak has expertise in retail business. This will be helpful for the Kotak to enlarge the operations. Immediately after this combination the shares of Kotak jumped 7.4 % & ING Vysya's shares 7.8 percent. It was the elevated record. ING has its presence most in the urban & Metropolitan cities due to which kotak will be benefited. With this merger Kotak can strengthen its legs geographically & can enlarge its customer base. Kotak will get new & innovative products as well as talent to become the topmost in the Banking Industry. So this will be the greatest opportunity for Kotak to enhance the facilities as well as customer satisfaction. Customer satisfaction is the main aim of any organization. Satisfied customers will play a major role in terms of word of mouth as it is the major tool of promotion which will increase the profitability, sales volume, market share & grab New opportunities.

TYPES OF PRODUCTS AND SERVICES

Cards, overdraft, Giro (General Interbank Recurring order) – with the help of this system you can pay bills. It will grant billing vendor to debit your account. Cheques, Credit Cards, SVF (Stored Value Facilities)-Prepaid electronic cash or card, Flash Pay card is a contactless cards with the help of which anybody can make payment at malls, food counters, Big Bazar, Hyper markets etc. Money Changers –Currency of one country can be exchanged for another country. Remittance – Anybody can sent money in payment or gift to another country.

SERVICE PRODUCTS

- 1) Orange Saving Accounts
- 2) Zwipe Saving Accounts
- 3) Platina Saving Accounts
- 4) Zing Saving Account
- 5) Fixed Deposit /Term Deposit
- 6) Flexi Current Account,
- 7) Internet Banking,
- 8) Internet Banking for business customer.

MARKETING STRATEGY

The establishment of a firm presupposes that a market exists for its products and services. As profit motive is the prime mover of all business actions, firms tend to relate markets & marketing conditions to products in terms of profitability. Competition characterizes marketing conditions & different product brands emerge to attract customers. Hence to maximize profits a firm develops several marketing alternatives. These alternatives came to be called marketing strategies. The word strategy derived from the ancient Greek means "The art of the general." Till recently its used was confined to the military. Strategy is the cornerstone of military command. The general is responsible for devising the key idea by which his forces are expected to reach the goal. From the business point of view, strategy may be defined as the schemes whereby a firm's resources and advantages are managed in order to surprise and surpass competitors or to exploit opportunities. Marketing strategy connotes a broad set of determinations that would direct the entire marketing planning process. Every attempt on the part of marketer in furtherance of sale would tantamount to marketing strategy. In this sense, even a marketing mix emphasizing on product, pricing, physical distribution and promotion strategies would become part of the broad horizon of marketing strategies.

AIM OF STRATEGY

Marketing strategy is a plan or course of action for obtaining the marketing objectives. The marketing objectives tell us where we want to go and the marketing strategy provides the path to reach there.

MARKETING DECISIONS IN DIFFERENT COMPETITIVE CONDITIONS

In practice a company's marketing strategy is the posture, which it takes in the competitive market. For its success management has to shape its own policies regarding the various controllable aspects of marketing such as product, distribution, promotion & pricing. A combination of such policies on the controllable aspects of marketing is the overall marketing strategy. While implementing the marketing strategy, the management must try to serve selected markets effectively so as to minimize competition. This type of defensive technique may not always succeed. The aggressive competitors by developing new products may break the established customer preferences. The importance of marketing strategies varies with the competitive setting. Marketing has assumed much importance in the present day business world. The success or the failure of any organization – profit making or nonprofit making depend on marketing. A business organization may produce goods & services by adopting efficient management techniques. But by merely producing goods or services, there will not be any profits. It has to market these, and only marketing will generate revenues, all other activities result in expense. The activities of a business organization range from production of goods & services to marketing. For obtaining maximum results, the management process takes in to its sphere of activity marketing also. A marketing oriented firm determines first the wants of a market segment. This is taken as an objective and then the firm works back in producing goods or services for the market segment. Management cannot function by making decisions or coordinating efforts until such objectives have been established. Hence marketing is the prime mover of all functions of management like planning, setting of goals, organizing, directing and controlling.

Activities of any type of business would be forward looking. For this business undertaking makes use of marketing survey as the forerunner of collection of data. What marketing creates is a permanent existence of the entity of customers. The sustenance of a particular group of customers or different groups of customers for a company's products reduces its business risk and expands its planning horizon. It serves the business & business in turn serves the market through planning research & development. Growth is thus ensured in the economy. Market potential is ascertained for various products and services and the customer's sovereignty is maintained by a scientific approach to the behavioral pattern of different income groups of people. This in turn opens new vistas of scientific management in business undertakings for production control and through that increasing factor productivity. In short marketing plays a signal role in providing a causative action to business management.

Many people have a notion that marketing concept has application only in business undertakings. It is now used widely in banks to serve their customers efficiently.

BANK MARKETING

The satisfaction index is substantially influenced by the quality of services made available to the customers. If we feel that the Indian economy is moving on the right path of progress, if we realize that the Indian consumers are now more conscious, a radical change in the marketing practices of the banking organizations is required essential. In the past the Banks did not find any attraction in the Indian economy because of the low level of economic activities and meager business prospects. Today we find a positive change in the business regulations and development strategies and therefore it is natural that strategies designed earlier show a lukewarm response. More than a century back in 1858, the then Finance Minister of the Governor General's Council realized the need of a national bank. With this the government was found evincing interest in the development of the organized banking system in the Indian economy. Accordingly, the state bank of India was set up for extending credit facilities to hitherto the neglected areas of the country. However, the needs & requirements, hopes and aspirations of the masses remained neglected till the dawn of independence.

With the attainment of independence, the contours of development underwent radical changes. The constitution of India assigned an overriding priority to social welfare and regional imbalance. The policy makers realized that the establishment of small affluent islands around the vast sea of backwardness was not the real purpose of promoting the financial institutions. The beginning of the planned concept of development way back in 1951 opened new vistas for the development of banking sector. The policy maker felt that the banking sector is not contributing substantially to the development and welfare of Indian society due mainly to the fact that they are working under the private sector with the sole motto of making profits. This engineered a strong foundation for the nationalization of commercial banks. The process of nationalization took a final shape and in 1969 we find nationalization of 14 commercial banks. The main purpose of nationalization was to make possible a basic change in the working style and functional properties of the commercial banks so that they contribute sizably to the development of the poorer sections and the backward regions. The nationalized commercial banks made possible qualitative improvements in the implementation of development oriented welfare plans which could not be implemented in past mainly due to financial constraint. The second phase of nationalization was found in 1980. In due course the list was enlarged but the contributions to the generation of quality services were found disappointing. The mounting participation of public sector commercial banks in the organization of processes of socio economic transformation made it essential that the policy makers audit their strategic decisions. In a development of sensitive welfare economy, the formulation of marketing mix is a difficult task. The regulations of the Reserve Bank of India stand as a major obstacle while making and innovating the policy decisions. The foreign banks and a few of the private sector domestic banks have been found. The customers were satisfied with the quality of services made available by them. So it made mandatory for the public sector commercial banks to practice the principles of modern marketing. Offering the quality services to make overall improvement in the banking behavioral management.

In 1980 there was a significant change in the concept of bank marketing by the introduction of sophisticated information technologies in the banking sector. Due to introduction of Credit card, Debit card, ATM, point of sale, pay by phone & auto banking etc. gained the momentum. Later foreign banks made services more competitive by promoting work culture and welcoming techniculture.

Public sector commercial banks had a downward movement & need to transform the policies & strategies. Liberalization of the economy opened up new vistas in the Indian Bank. The use of the sophisticated technology by the foreign banks has increased the expectations of customers, so more sophistication in information technologies. This made a total change in the marketing of banking services. Due to the introduction of electronic banking, public sector commercial banks find it difficult to survive. So they started promoting the Information technologies & innovative marketing efforts to increase their market share. The banking business is now becoming competitive & the intensity of competition is moving upward. Innovation makes the way for demand generation. Innovation minimizes the profit & will become high performer and can increase the market share.

This makes it essential that they have technology driven marketing information system. New services, schemes, profitable services, lucrative packages and new peripheral services with decent behavior bear the efficacy of making the marketing resources productive.

The evolution of the marketing concept in the banking profession is traced in the west. Marketing of the banking services is concerned with Product, Promotion, Pricing & Place & extended to people, Process & Physical appearance. Bank marketing is an approach to give right direction to banks multidimensional benefits to the different segments using the services of banks. Use of the sophisticated technologies has changed the quality of services. The customers using the services of foreign banks have a different perception regarding the quality of banking services. The word of mouth communication plays a major role in spreading the use of new technologies. If one wants to make the services profitable, bank marketing should be used. It is a tool to activate employee orientation. It is a managerial approach to excel competition. The changing perception of bank marketing has made it a social process. The significant properties of the holistic concept of management has made bank marketing a devise to establish a balance between the commercial & social considerations.

BANK MARKETING IN THE INDIAN PERSPECTIVE

The formulation of policies is substantially influenced by emerging trends in the national & international business conditions. The level of income, expectations, the rate of literacy, geographic & demographic considerations, rural & urban orientation, the changes in economic systems, the frequent use of technologies are some of the key factors governing the development plan of an organization. The public sector commercial banks are supposed to play a decisive role in fueling the processes of socioeconomic liberalization. It clearly shows that banking organization needs a new vision, a new approach and an innovative strategy. They have to bear a social cost by promoting credit facilities to the weaker sections of the society & vulnerable regions. The foreign banks & few private sector commercial banks were making sincere efforts to improve the quality of their services. In the Indian setting formulation of sound marketing mix is found a difficult task. The nationalization of 14 commercial banks in 1969 encouraged government to nationalize more commercial banks. The designing of the sound product portfolio is found significant to maintain the viability of banks. The promotional measures should be taken care of so that masses come to know about the positive contribution of banks towards the development of socioeconomic activities. The different components of promotion can be used. The Personal Selling & Public Relation activities need an intensive care. Leading foreign banks started promoting telemarketing. Word of mouth & opinion leaders will play a major role. Pricing strategy should be given due weightage. Pricing strategy is the motivational tool would help bank to increase the market share. The Reserve Bank of India and the Indian Banking Association need an attitudinal change. The gap between services promised & services offered is required to be bridged over. This requires professional excellence. There should be the proper synchronization of performance orientation & employee orientation. This is possible only when banking regulations are made liberal. The frontline staff needs empathy in their behavior. Intensive training should be given. The domination of trade unions is required to be minimized. The contractual job system should be taken care of. Due weightage should be given to the physical properties. It should be smart, active & attractive. The multidimensional change is required for implementing the innovative marketing principles.

Advertising – Banking industry makes use of this promotional tool to persuade the customers. The popular characters & sensational moments are likely to be impact generating. Formulation of the budget for the advertisement becomes necessary. Select a suitable vehicle for travelling the messages. Creativity plays a decisive role in making it more effective. We consider advertisement the most sensitive component of the promotion mix. But the unproductive advertisements also increase the financial burden so precautions should be taken to make the entire process productive.

Public Relations – Almost all the organizations need to develop and strengthen the public relations activities to promote their business. We find this component of promotion mix very effective in Banking Industry. Public relation is based on high quality, off guard and dramatization & high credibility.

Personal Selling – The personal selling is found instrumental in promoting the business. It is the process of informing the customers. It is just a process of communication in which an individual exercises his/her personal potential, tact, skill & ability to influence the impulse buying of the customers. We get an immediate feedback. The banking organization should make the use of this dimension with the help and cooperation of efficient and personally committed sales people. Sales people should have the in-depth knowledge of the sales dialogue, sales technique, behavioral profile of the customers, the task of transforming the dialogue in to a business. It is based on personal skills of sales people.

Sales Promotion – If we use innovative sales promotion tools, we will get more positive results. We cannot copy the promotional measures adopted by the competitor. The excellence is in the essence of offering the innovative measures. Banking organization can make provision for incentives to the bankers we call this bankers promotion. Incentives offered to the customers are called as customer's promotion. The gift, contests, fairs & shows, discount & commission, entertainment & travelling plans for bankers, additional allowances, low interest financing are few instruments.

Word of Mouth Promotion – The communication about the banking usually takes place by word of mouth communication. If your friends, relatives or other well-wishers recommend you about the excellent services of a particular bank or the outstanding properties of a particular scheme the process of influencing becomes effective. The persons engaged in communication, the hidden sales force who play an incremental role in increasing the demand. The social reformists, popular cine artists, TV artists, opinion leaders, vocal persons may act as word of mouth promoters.

Telemarketing – Telemarketing has gained popularity in the developed countries. This process has initiated by foreign banks. The telemarketing is a process of promoting the business with the help of sophisticated communication network. Telemarketing activates the process of advertisement. If the banking organizations telecasting their message on the screen will be benefitted by 2 ways. 1) Customers come to know the information regarding the services or schemes, their salient features & relative merits. 2) They are persuaded in a right way.

OBJECTIVES

1. To know the preferred company in terms of accounts.
2. To identify the market segment of ING VYSYA BANK merged with KOTAK MAHINDRA
3. To know and understand the satisfaction of customer needs and requirements.
4. To analyze the customer's perception of the brand name and associated products.
5. To identify the potential customers.
6. To understand the effectiveness of ING Vysya Bank merged with Kotak Mahindra in terms of customer satisfaction strategies.

HYPOTHESIS

A hypothesis is a proposition which the researcher wants to verify. A careful formulation of the research problem would be helpful in providing a sense of direction to the research staff. As it specifies the precise scope of the problem, it makes research both meaningful & economical. Problem formulation, by setting out assumptions.

H₀: Marketing strategies adopted by ING VYSYA BANK merged with KOTAK MAHINDRA has no impact on growing the market share, sales and total profit of the company and upgrading group of customers to grasp new openings.

H₁: Marketing strategies adopted by ING Vysya Bank merged with Kotak Mahindra has impact on growing the market share, sales and total profit of the company and upgrading group of customers to grasp new openings.

THEORETICAL PROSPECTIVE

Business success is solely dependent upon customer satisfaction if one would like stay in the industry & wants to be ahead of competition.

Any business will have to conduct a survey in the market place to know about the satisfaction level of customers. Whether company is supplying quality products, price of the product exorbitant or affordable, retail outlets where products are available for customers – its location. All these factors should be taken in to consideration.

Modern marketing would like to focus more on customer satisfaction. Business should take care of society in terms of its satisfaction level to earn profit in return. So customer satisfaction is the crucial element of any business.

1. EVALUATION ON EXPECTATION THEORIES

In our thinking Assimilation-Contrast theory was a good attempt to explain the phenomena. We also noticed that Generalized Negativity Theory in fact dealt with an impractical situation where the researchers considered expectations of sweet and bitter solutions. However, in real life nobody makes a buying decision or purchase as to expect bitter result. There may only be some exceptional cases such as forced purchasing.

2. THE DISCONFIRMATION MODEL

This model will compare two variables- i) customers expectations ii) Perceived performance ratings. When products excel the expectations of customers it is positive from the viewpoint of organization. After using the product, if the customer is deprived of then it is negative on the part of business i.e. called as Disconfirmation.

There are four features – i) Expectations ii) Performance iii) Disconfirmation and iv) Satisfaction.

Customers are satisfied when they get value for money. They have certain apprehensions in the mind regarding the performance of the product. It should meet the expectations of customers. There are certain cognitive & affective models of satisfaction which entails the same thing.

3. EXPERIENCE & ADAPTATION

A different perspective on satisfaction considers accumulation of past experiences and results of previous disconfirmation processes as an additive combination to determine satisfaction. In this sense customers with different experience backgrounds would have different evaluation on the same performance. Expectation is proposed as an adaptive mechanism for satisfaction (Oliver, 1980).

DATA COLLECTION METHOD

After formulating the hypothesis next step is to determine the sources of data to be used. The marketing researcher has to decide whether he has to collect primary data or depend solely on secondary data. Data collection is the method with the help of which we get the idea that what is happening in the market place. Collecting data from the customers is the tedious job.

The overall data collected in two ways: that is primary data and secondary Data collection. The present data is collected after interviewing the Respondents.

Data is collected with the help of two techniques.

A) Primary Data: It is collected through filling up of questionnaire by customers, staff members, of the ING VYAYA BANK merged with KOTAK MAHINDRA (Period 2012-16)

B) Secondary Data: It is nothing but second hand information in which the researcher has collected data and information through internal media.

A) Web-sites

B) Company Annual Report

C) Journal, volumes and various references from library.

ING VYSYA BANK EXPLOITS NET APP

KOTAK MOBILE BANKING APP

ING Vysya Bank has adopted Net App's to enable 20, 0000 customers across the country around 553 branches can make use of Mobile banking facility. With effective use of world class technology & as per the urge of market, business growth is possible.

ING is delivering quality services, reduced processing time, furnishing innovative products & Services to the customers. Net App is first time introduced in India by ING, the first core banking application.

Kotak Mahindra can make use of this application to gain the competitive advantage. With this introduction performance of banking is also improved resulting into increase in the customer base.

DATA ANALYSIS & INTERPRETATION

Once the data is collected it has to be properly analysed. Percentage & Mean method is used for analysis.

Q1. Do you trust the security of online banking services?

TABLE 1

Options	Percentage
Completely	60
Somewhat	20
Dubious	10
Not at all	10

60 % customers trust the security of online banking services. 20% respondents said that somewhat they believe the security of online banking services. 10 % were dubious & 10 % customers don't believe in the security.

Q2. Do you trust to operate online only?

TABLE 2

Options	Percentage
Completely	35
Somewhat	60
Dubious	15
Not at all	05

The customers are little bit confused. 60 % customers use online facility to some extent. 35 % customers completely use this facility. 5 % customers do not avail this facility.

Q3. Do you think that human contact is important for banking relations?

TABLE 3

Options	Percentage
Completely	55
Somewhat	25
Dubious	15
Not at all	05

55% customers feel that there should be human contact while availing banking services. 25 % respondents reported that human contact is needed somewhat. 5 % customers said that human contact is not required while making transaction. As per the customers online service is very convenient for them that they do not want to visit the bank.

Q4. Would you use mobile phone to do your banking?

TABLE 4

Options	Percentage
YES	75
NO	20
N/A	05

Now a days mobile phone is almost used by everybody which can be carried anywhere. 75% customers use mobile phone for availing banking services. 20 % customers do not use the mobile for transaction.

Q5. Which features you would like to use while availing the facility of mobile banking?

TABLE 5

Options	Percentage
Balance Enquiry	40
Bill payment	30
Email and SMS	10
Account transfer	20

40 % customers use the facility of balance enquiry & Bill payment. 20% customers use Internal account transfer. 30 % customers would like to pay their bills with the help of online services as it saves time because most of the respondents are working.

Q6. Would you visit our bank even though you have started using our online banking facility?

TABLE 6

Options	Percentage
YES	60
NO	20
N/A	20

60 % customers visit bank even though they are using online banking services. 20 % respondents do not visit the bank as online services is sufficing their purpose.

Q7. Overall, how much satisfied you are with our online banking service?

TABLE 7

Options	Percentage
Very satisfied	60
Satisfied	20
Neutral	15
Unsatisfied	05

60 % the customers are very much satisfied with the online banking services. 20 % customers found this facility okay. 15 % customers were neutral but 5 % customers are not at all satisfied as they are not IT savvy.

Q8. What are the reasons for choosing our online banking services? Please select all that apply.

TABLE 8

Options	Percentage
Convenience	55
To save time	25
24 hours access to accounts	15
Other	05

55 % Customers are using online banking service because it is convenient for them. 25 % respondents would like to save their time. 15 % are using as it gives 24 hours' access to accounts.

Q9. How often do you use online service?

TABLE 9

Options	Percentage
Daily	50
Weekly	20
Monthly	15
Never	15

50 % customers use online banking service daily. 20 % respondents use weekly & 15 % customers use it monthly. 15 % customers have never used online banking facility.

Q10. Which online features would you use regularly?

TABLE 10

Options	Percentage
Bill Payment	45
Account Enquiry	10
Transfers	35
Process payroll	10

Customers have given the four options pay bills, make an account enquiry, transfers & process payroll. Out of which 45 % customers use online features regularly for paying bills, 15 % for transferring amount 10 % would like to make an account enquiry & 10 % for process pay roll.

Q11. Are you able to access your banking accounts online?

TABLE 11

Options	Percentage
YES	70
NO	25
N/A	05

70 % Customers do not face any problem in accessing online accounts but 25 % customers are not comfortable with the online service.

Q12. Are you able to use various online banking facilities?

TABLE 12

Options	Percentage
YES	60
NO	30
N/A	10

There are so many banking facilities offered by ING Vysya bank merged with Kotak. About 70 % customers are in a position to use online banking facility efficiently but 30 % customers do not able to use all facilities.

Q13. How many times commonly do you use an ATM (automated teller machine) per month?

TABLE 13

Options	Percentage
Less than 1	45
1 to 10 times	35
2 to 8 times	10
8 to 12 times	10

45 % customers use an automated teller machine (ATM) less than one Per month. 35 % customers use 1 to 10 times; 10 % use 2 to 8 times & 10 % customers use 2 to 8 times per month.

Q14. Are you happy with the amalgamation of ING Vysya with Kotak Mahindra bank?

TABLE 14

Options	Percentage
Yes	65
No	10
Don't Know	25

65 % customers are happy with the amalgamation of ING with Kotak. 25% customers opined that we cannot say anything & 10 % customers said that we are not happy with the merger as we were getting all facilities before this merger also. So it does not make any difference.

Q15. Do you think you will get more facilities & different schemes after this merger?

TABLE 15

Answer	Percentage
Yes	80
No	4
May be	16

80 % Customers believe that they will get more facilities & different schemes after this merger. 16 % customers opined that may be we will get more facilities & schemes & 4 % said no. So Alternate hypothesis is accepted and Null hypothesis is rejected as most of the respondents are quite aware about the different & innovative facilities offered by the bank, quite satisfied with it as ING is having competitive advantage as compared to other banks. Marketing strategies in terms of online services, Internet Banking & various financial solutions have increased the customer base, profitability & sales volume.

CONCLUSION

Due to globalization there is cut throat competition everywhere as far as market is concerned. Managers are always under pressure to achieve competitive advantage. By applying a wide ranging Internet banking solution, financial establishments of all sizes can become the sole provider of innovative strategies. By applying these kind of innovative strategies financial institutions can reduce the working cost & increase the customer base for all types of facilities. Problem faced by the customers can be resolved within a fraction of second. Majority of the customers use the facility of balance enquiry & Utility bill payment. Customers would like to use Internal account transfer. Majority of the customers trust the security of online banking services. 55% customers feel that there should be human contact while availing banking services. 60 % customers visit bank even though they are using online banking services. Customers are using online banking service because it saves time and it is convenient for them. Customers use online features regularly for paying bills & for transferring amount. Majority of the customers frequently use an automated teller machine (ATM) Per month. 65 % customers are happy with the merger of ING with Kotak.

- Reputation of BANK offers candidates a strong acquisition of knowledge & suitable time for growth.
- Employees of the Bank are very much satisfied & can be retained as the culture of bank fosters employee development.

REFERENCES

1. V. S. Ramaswamy, Marketing Management, Macmillan Publishing Co. Ltd.
2. S. A. Sherlekar, Marketing Management, Himalaya Publishing Co. Ltd.
3. K. R. Belan, Marketing & Sales Management, Sterling Publishing Co. Ltd.
4. S. Nedamegham, Marketing & Sales Management, Vikas Publishing Co. Ltd.
5. Nair, Marketing, Sultan Chan & Sons.
6. J. C. Gandhi, Marketing, Mc Graw Hill Publishing Co. Ltd.
7. S.C. Mehta, Marketing, Tata Publishing Co. Ltd.
8. R. S. N. Pillai, Marketing, S. Chand Publishing company Ltd.
9. D. Thakur, Marketing, Deep & Deep Publisher.
10. N. M. Pardhi, Marketing, Bijtantra Publishing Co. Ltd.
11. Chunawala, Marketing, Himalaya Publishing Co. Ltd.
12. G. A. Churchill, Marketing Research, The Bryden Press.
13. Westfall Boid, Marketing Research, Richard Publishing Company Ltd.
14. Chunawala, Marketing Principles & Practices, Himalaya Publishing Co. Ltd.
15. Premkumar, Marketing & Sales Management, Anmol Publishing Co. Ltd.
16. Acharya, Marketing & Sales Management, Himalaya Publishing Co. Ltd.
17. K. R. Balan, Marketing & Sales Management, Sterling Publishing Co. Ltd.
18. Sherlekar, Marketing & Sales Management, Himalaya Publishing Co. Ltd.
19. Dr. Himani Sharma, Marketing Cases Management, Galgotia Publishing Company Ltd.
20. Marketing Management by Study Guide, ICFAI Press.
21. Dholkia, Marketing Management, Bhawna Bok Press.

MERGERS AND ACQUISITIONS IN INDIA AND ITS SHORT TERM IMPACT ON SHAREHOLDERS WEALTH

AMISH BHARATKUMAR SONI
ASST. PROFESSOR
GLS UNIVERSITY
AHMEDABAD

ABSTRACT

In this study I had done the analysis in three part: First trend analysis (2004 to 2015); Second Short term views shareholders wealth analysis; Third Long term view shareholders wealth analysis. For short term investment I had analyzed top 10 (Value wise) mergers and acquisition by Indian companies, in which I had find the market return and script return, to know the shareholder's wealth pre-merger and post-merger with the help of the correlation. For the same, the changes in the closing prices of the script and compare it with Indices value, here we take BSE 500 (as Y; script price as X).

KEYWORDS

mergers & acquisition, pre and post-merger analysis, shareholder's wealth, top ten mergers & acquisition.

INTRODUCTION

The decision to invest in a new asset would mean internal expansion for the firm. The new asset would generate returns raising the value of the corporation. Mergers offer an additional means of expansion, which is external, i.e. the productive operation is not within the corporation itself. For firms with limited investment opportunities, mergers can provide new areas for expansion. In addition to this benefit, the combination of two or more firms can offer several other advantages to each of the corporations such as operating economies, risk reduction and tax advantage.

Today mergers, acquisitions and other types of strategic alliances are on the agenda of most industrial groups intending to have an edge over competitors. Stress is now being made on the larger and bigger conglomerates to avail the economies of scale and diversification. Different companies in India are expanding by merger etc. In fact, there has emerged a phenomenon called merger wave.

The terms merger, amalgamations, take-over and acquisitions are often used interchangeably to refer to a situation where two or more firms come together and combine into one to avail the benefits of such combinations and re-structuring in the form of merger etc., have been attempted to face the challenge of increasing competition and to achieve synergy in business operations.

LITERATURE REVIEWS

Sr. No.	Topic Name	Author/ Authors Name	Outline of the Paper
1	Cross Border Mergers & Acquisitions and Its Effect on Shareholders Wealth in India	Jayant Kalhagi & Dr. Ravindranath V. Bad	Use of the Research Tools: AAR, CAAR, T test
2	Shareholders wealth effects of Mergers & Acquisitions in different deal activity periods in India	Smita Kashiramka & N.V.Muralidhar Rao	Last ten years ITeS Sector Knowledge gain for shareholders wealth
3	Mergers and Acquisitions in Banking Sector	Prof. Anil K. Saini, Dr. Sambhavna, Dr. Mohender Kumar Gupta, Dr. Shivakumar Deene	Through this paper we will try to find out reasons of merger and acquisition from the experience of Indian banking sector but they shows some futuristic prediction of India Banking Industry and its outcome
4	Impact of Merger & Acquisition Announcement on Share Price – A Case of Selected Indian Listed Companies	Dr.S.Poornima and V.Chitra	Selected the scrips from Jan. 2012 to Dec. 2012 and see the impact in Impact has been analyzed between +7 days from the date of merger and acquisition announcement.
5	Effectiveness of Banks after M & A	Brajesh Kumar Tiwari	Author had compare the different banks India and gives his opinion statement regarding effectiveness of Banks after M&A shows in merger of Bank of Karad Ltd. (BOK) with Bank of India (BOI) was more effective in it.
6	Impact of Mergers & Acquisitions on Firms' Long Term Performance: A Pre & Post Analysis of the Indian Telecom Industry	Neha Verma & Dr. Rahul Sharma	The Paper gives health idea about the financial tools to be chosen at the time of pre and post merger analysis apart from telecom industry as a whole.
7	Effect of Mergers and Acquisitions on Financial Performance: A study of selected Tata group companies in India	Dr. B M Kanahalli & Sidalingya Jayaram	The financial data has been collected for six years from 2004-10. Pre-merger and post-merger financial ratios have been examined using paired sample 't' test. The results of the analysis reveal that there is no significant difference between the financial performance of the companies before and after the merger.
8	Recent Development in Takeover Process in India	Ambika Sangwan	Author talked about different Act affected to takeover deal in India such as Industrial Development and Regulation Act 1951, MRTP Act, FERA Act etc. made hostile takeover almost impossible. There have been consistent new legal developments such as- The Competition Act 2002 and New Companies Act 2013
9	Impact of Mergers and Acquisitions Across Industries in India	Dr. (Mrs.) S. Poornima & S. Subhashini	The aim of this paper is to study the impact of mergers and acquisitions on the financial performance of the acquiring firm during the pre-and post-merger period specifically in the areas of profitability, leverage, liquidity and managerial efficiency of the company.
10	A Study on Pre Merger and Post Merger/Acquisition selected financial Parameters for Selected Cement Companies in India	Dr. Bindiya Kunal Soni	Authors gives good idea regarding the effect of pre and post merger from 2003 to 2013 in Cement Industry
11	Analyzing the long run financial performance of cross border acquisitions of Indian acquiring companies and determinants there of	Reena Kohli	As per the findings of the author 128 cross borders had happen in last 10 years and the trend shows increase from 1997 to 2007. In 1997 and 1998, 1 each compare to, 17, 26 and 28 in 2005, 2006, 2007 respectively.
12	Analysis of Merger and Acquisition in India Indian Competition Law	Namita Rajput, Monika Gupta and Harish Handa	Most important in M&A with respect to the legal part is Competition Law, 2002 they had explained it here in this paper
13	Wealth creation through acquisitions	N. M. Leepsa Chandra Sekhar Mishra	In this paper author had keep in the mind EVA and done their analysis and their most interesting finding says finding is that related deals were more unsuccessful than unrelated deals.
14	United Spirits acquisition by Diageo: Would the wine turn sweet?	Mr. Sidharth Panigrahi	Intersting article regarding the UB Group and Diageo which explain us how to write a case on the recent acquisition and its pros and cons
15	Competition Policy and Law: Academic Perspective	Subhashish Gupta	Another paper on Competition policy and its academical nature for the use of mergers and acquisitions by evaluating the law and finding problems and loopholes for future improvement

NEED/IMPORTANCE OF THE STUDY

- To understand the trend in mergers and acquisition
- To aware the investors regarding the effect, before and after the mergers & acquisitions
- To make their strategies for investments, for the investors' short term view by keeping in mind mergers & acquisitions.

OBJECTIVES**PRIMARY OBJECTIVE**

1. Measuring Wealth of Shareholders for short term view

SECONDARY OBJECTIVES

1. To know the short term effect pre and post-merger compare to market
2. To compare the market return and script return
3. To understand the short term effect of the deal

HYPOTHESIS

Analysis: Short term Investors Perspective

Hypothesis 1:

H0: There is negative relation between script return market & market return pre M&A

H1: There is positive relation between script return market & market return pre M&A

Hypothesis 2:

H0: There is negative relation between script return market & market return post M&A

H1: There is positive relation between script return market & market return post M&A

Hypothesis 3:

H0: Pre M&A shows lower script return than market return compare to post M&A

H1: Pre M&A shows higher script return than market return compare to post M&A

RESEARCH METHODOLOGY

RESEARCH DESIGN: Causal Research

POPULATION: The population of my research is taken of ten years of Indian Listed Companies Mergers and Acquisitions from financial year 2004 to 2014

SAMPLING FRAME: Indian companies who are registered in the Stock exchanges. So, the list of registered Indian companies in the stock exchanges becomes the part of my sampling frame.

SAMPLING UNIT: Sampling unit will be primarily consisting the recent wealthiest Mergers and Acquisitions.

SAMPLE SIZE: Sample size will be analyzing top ten mergers and acquisition in India.

SAMPLING METHODS: Convenience sampling method

RESULTS & DISCUSSION

ANALYSIS

1. Trend Analysis

2. **Analysis:** Top 10 deals as per value wise: Measuring Wealth of Shareholders for Short Term

1. TREND ANALYSIS

INTRODUCTION

Mergers and Acquisitions (M&As) have been a prominent trend in the advanced capitalist countries since the late nineteenth century. But only in recent times has it become a regular phenomenon in 'developing' countries. The striking feature of the present wave of M&As at the global level is that it includes many cross-border (CB) deals and is propelled by a different set of forces. The total number of M&As worldwide increased almost three-fold during 1990 to 1999. The total value of M&As worldwide has increased more than five-fold during the corresponding period. While the total number of M&As has increased fivefold during 2000-2009 and total value has increased almost nine fold. The global environment that emerged from the new policy regime, i.e. privatization, liberalization in trade, finance and investment, as well as technological changes has created a situation that facilitates CB Mergers (UNCTAD 2000). The Indian evidence suggests that the new economic environment of the nineties has facilitated M&As. Mergers of firms belonging to the same business groups operating in similar product-lines appeared to dominate the Merger-wave in India. The participation of foreign-controlled firms in the M&As process has increased significantly during the second half of the nineties., Around 37.7 per cent of the total Foreign Direct Investment (FDI) made by multinational corporations (MNCs) during 1991-1998 was financed through cross-border M&As activity, and the same per cent increased to around 50% during 2000-2009, either through Acquisition of substantial equity stakes in existing ventures or through buy-out of real assets through asset-sales.

ANALYSIS: TRENDS FROM INDIAN PERSPECTIVE

It is evident that a substantial growth of M&As in the Indian corporate sector has been witnessed after 1990s. For instance, total no. of M&A has increased to 3089 (source: capital line) during 2005-2014 (Table 1) from the level of 1302 during 1990-2004 (Table 2), and 268 during 1980-1990s.

TABLE 1: TREND OF M&As DURING 2005-2014

Year	Total
2005	283
2006	399
2007	432
2008	298
2009	312
2010	361
2011	292
2012	241
2013	293
2014	178
Total	3089

(Source: Capital Line)

TABLE 2: TRENDS OF M&As DURING 1990--2004

Year	Total
1990-1995	291
1995-2000	743
2000-2004	268
Total	1302

(Source: Capital Line)

While the Indian corporate houses seem to have been bracing up to face foreign competition during the first phase (1990-1995), the second phase (1995-2000) witnessed a large presence of multinational firms which comes in Indian Market through M&A, in third phase (2000-2004) it shows down fall compare to earlier phase. In these 15 years total deals were 1302. In the last ten years (2005 to 2014) it goes 3 times more than earlier decade (1995 to 2004). MNCs have actively participated in the M&A process during the second half of the 20th century with a view to gain market entry or to strengthen their presence.

2. ANALYSIS

Measuring Wealth of Shareholders for short term view:

Analysis of Top 10 Mergers and Acquisitions

Analysis: Find the market return and script return to find the shareholder's wealth pre-merger and post-merger with the help of the regression line. For the same, the changes in the closing prices of the script and compare it with indices value, here we take BSE 500.

Value wise Top 10 M&A Deals in India

In these top 10 deals Indian Company is the one which is Acquirer of the other company.

1. **Tata Steel-Corus:** \$12.2 billion
2. **Hindalco-Novelis:** \$6 billion
3. **ONGC-Imperial Energy:** \$2.8 billion
4. **HDFC Bank-Centurion Bank of Punjab:** \$2.4 billion

5. **Tata Motors-Jaguar Land Rover:** \$2.3 billion
6. **Sterlite-Asarco:** \$1.8 billion
7. **Suzlon-RePower:** \$1.7 billion
8. **RIL-RPL:** 1.69 billion
9. **Videocon-Daewoo:** \$731 million
10. **Ranbaxy-Betapharm:** \$630 million

Source: <http://asiancorrespondent.com/573/top-10-ma-deals-in-india-so-far/>

FINDINGS

Overall Findings

Top Ten Mergers

➤ **Tata Steel**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	0.18%	0.45%
Post Merger	0.39%	-0.11%

Before the merger company gave healthy returns to its shareholders as compared to market return of 0.18%. But after the merger companies' performance has deteriorated and it gave negative return of (0.11%) as compared to the market return of 0.39%.

➤ **Hindalco**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	0.36%	0.27%
Post Merger	0.40%	-0.67%

During the time of pre-Merger company gave marginally less returns to its shareholders as compared to the market. But it was only after the merger companies' performance has deteriorated and it gave negative return of (0.67%) while market gave positive returns of 0.40%.

➤ **ONGC**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	0.78%	0.25%
Post Merger	-0.71%	-0.36%

ONGC gave very less return to its shareholders during pre Merger as compared to market return.

Though company gave positive returns before the merger it gives negative returns to its shareholders after the merger but if we compare post merger performance of company and market than company surpasses market.

➤ **HDFC**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	-0.29%	-0.38%
Post Merger	-0.29%	-0.14%

At the time of pre Merger Company gave marginally less negative return as compared to market return. But after merger company did well. Though it gave negative returns to its shareholders but it was better than markets negative returns. Still after merger company can't able to give positive returns to its shareholders.

➤ **Tata Motor**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	-0.91%	-0.29%
Post Merger	0.45%	-0.29%

Though at the time of pre merger both the script and market gave negative return but script returns surpasses market returns. But after the merger company gave negative return of (0.29%) while the market return are positive at 0.45%, So after the merger company can't able to perform as per the expectation of the shareholders.

➤ **Sterlite**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	-0.42%	-0.23
Post Merger	1.51%	2.87%

Though at the time of pre merger both the script and market gave negative return but script returns surpasses market returns. While after the merger script gave almost 2 times higher return than market.

➤ **Suzlon**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	-0.39%	-0.25%
Post Merger	0.11%	-0.10%

Though at the time of pre merger both the script and market gave negative return but script returns surpasses market returns. But after the merger company gave negative return while the market return are positive, so after the merger company can't able to perform as per the expectation of the shareholders.

➤ **RIL**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	-0.19%	0.03%
Post Merger	0.99%	1.70%

RIL gave more returns as compared to market returns during pre merger as well as post merger. And after the merger company gave very huge return of 1.7% as compared to the market return of only 0.99%.

➤ **Videocon**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	0.26%	1.05%
Post Merger	0.35%	0.06%

Before the merger company pleased its shareholders by providing healthy return of 1.05% as compared to market return of 0.26%. But after the merger company gave very less return to its shareholders as compared to market returns.

➤ **Ranbaxy**

	Market	Script/Expected
Particulars	Actual Return	Return
Pre Merger	0.17%	0.38%
Post Merger	0.28%	-0.13%

Company able to give more returns to its shareholders than market returns before the merger as expected return was 0.38% while market actual returns was only 0.17%. But after the merger company can't able to perform as it was before the merger. After the merger market returns are 0.28% while company has expected loss of (0.13%).

Hypothesis 1

H0: There is negative relation between script return market & market return pre M&A

H1: There is positive relation between script return market & market return pre M&A

From the above table we can say that, pre merger script return compare to market return out of 10 there is 9 times shows positive effect (if script return positive, market return also shows positive and vice a versa). So, we can say that H0 is rejected.

Hypothesis 2

H0: There is negative relation between script return market & market return post M&A

H1: There is positive relation between script return market & market return post M&A

From the above table we can say that, post merger script return compare to market return out of 10 there is 5 times shows positive and 5 times shows negative effect (if script return positive, market return also shows positive and vice a versa). So, we can say that post merger as investors for short term it is difficult to predict the relation with market to the script. We have to say, there is still scope for good research to be done with more companies as sample.

OVERALL CONCLUSION OF TOP TEN MERGERS AND ACQUISITIONS BY INDIAN COMPANIES

No.	Company Name	Pre Merger	Post Merger
1	Tata Steel	High	Low
2	Hindalco	Low	Low
3	ONGC	Low	High
4	HDFC	Low	High
5	Tata Motor	High	Low
6	Sterlite	High	High
7	Suzlon	High	Low
8	RIL	High	High
9	Videocon	High	Low
10	Ranbaxy	High	Low

We can see from the above table that,

Pre merger 70% companies' script return was higher than its market return.

Post merger 40% companies' script return was higher than its market return.

Hypothesis 3

H0: Pre M&A shows lower script return than market return compare to post M&A

H1: Pre M&A shows higher script return than market return compare to post M&A

From the above table we can say that Pre merger there shows higher script return than market return. So, here Ho is rejected.

RECOMMENDATIONS/SUGGESTIONS

To the short term investors I would like to suggest from the analysis 70% companies' shows positive sign with respect to pre M&A and only 40% shows post M&A better return than market return.

To the long term investors, I have to say it is good to invest by keeping in mind post merger & acquisition effect on stock prices.

CONCLUSION

To conclude, I can say that there the trend shows upward movement in the deals of M&A in India and the investors have to keep in mind this corporate structure decision while they are investing in the companies.

SCOPE FOR FURTHER RESEARCH

From the research it clearly shows that in long term investors perspective, I had not reached to the clear majority of neither positive nor negative sign so, I have to do the industry wise analysis of selected years and carry forward the research now industry specific. With that we can come to more precise conclusion.

ACKNOWLEDGEMENT

I would like to acknowledge the N. R. Institute of Business Management (GLS University) to support my research, my PHD Guide Dr. Sneha S. Shukla and last but not least my family members for their continuous support.

REFERENCES

1. Ambika Sangwan (2014), Research Report on: "Recent Development in Takeover Process in India" Published in: International Journal of Marketing, Financial Services & Management Research, ISSN 2277-3622, IJMFSMR, Vol.3 (8), AUGUST (2014), pp. 50-57
2. Brajesh Kumar Tiwari (2014), Research Report On: "Effectiveness of Banks after M & A", Published in: American Journal of Industrial and Business Management, 4, 1-8
3. Dr. (Mrs.) S. Poornima & S. Subhashini (2013), Research Paper on: "Impact of Mergers and Acquisitions Across Industries in India" International Journal of Management Research and Development (IJMRD) ISSN 2248938X (Print), ISSN 2248-9398 (Online) Volume 3, Number 2, April-May
4. Dr. B M Kanahalli & Siddalingya Jayaram (2014), Research Paper on: "Effect of Mergers and Acquisitions on Financial Performance: A study of selected Tata group companies in India", International Research Journal of Management and Commerce (IRJMC), Volume-I, Issue-8, November, ISSN: (2348-9766)
5. Dr. Bindiya Krupal Soni (2014), Research Paper on "A Study on Pre Merger and Post Merger/Acquisition selected financial Parameters for Selected Cement Companies in India", Published in SIES Journal of Management, Issue in September, Vol. 10(2)
6. Dr.S.Poornima and V.Chitra (2013), Research Paper on: "Impact of Merger & Acquisition Announcement on Share Price – A Case of Selected Indian Listed Companies", Published in: Journal of Management and Science | Vol.3.No.3 | September; ISSN: 2249-1260 | eISSN: 2250-1819
7. Jayant Kalghagi & Dr. Ravindranath V. Bad (2013), "Cross Border Mergers & Acquisitions and Its Effect on Shareholders Wealth in India" Published in: IJRCM, Volume No. 4, Issue No. 06 (June) ISSN 0976-2183
8. Mr. Sidharth Panigrahi (2013) "United Spirits acquisition by Diageo: Would the wine turn sweet?" Published in Vidwat: The Indian Journal of Management, Volume 6, Issue 2, July-Dec 2013
9. N. M. Leepsa Chandra Sekhar Mishra (2013), Research Article on: "Wealth creation through acquisitions", Published in Springer (IIM-Calcutta), Issued in December, 40(3):197–211
10. Namita Rajput, Monika Gupta and Harish Handa (2012), Research Paper On: "Analysis of Merger and Acquisition in India, Indian Competition Law" Published in Global J. of Arts & Mgmt, Issue 2 (1), Page 13-21
11. Neha Verma & Dr. Rahul Sharma (2014), Research Report On: "Impact of Mergers & Acquisitions on Firms' Long Term Performance: A Pre & Post Analysis of the Indian Telecom Industry" IRACST- International Journal of Research in Management & Technology (IJRMT), ISSN: 2249-9563 Vol. 4, No.1, February
12. Prof. Anil K. Saini, Dr. Sambhavna, Dr. Mohender Kumar Gupta, Dr. Shivakumar Deene (2014), Published in: IJRCM, Volume No. 5, Issue No. 5 (May), ISSN 0976-2183
13. Reena Kohli (2013), Research Paper on "Analyzing the long run financial performance of cross border acquisitions of Indian acquiring companies and determinants there of" Published in Amity Global Business Review, Issue in March, 37-42.
14. Smita Kashiramka & N.V.Muralidhar Rao (2013), Research Paper on: "Shareholders wealth effects of Mergers & Acquisitions in different deal activity periods in India" Published in: European Journal of Business and Management, ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online), Vol.5, No.4
15. Subhashish Gupta (2007), Research Paper on: Competition Policy and Law: Academic Perspective, published in Indian Institute of Management Bangalore, Issued in December, p 425-431

RELATIONSHIP BETWEEN GOVERNMENT REVENUE GROWTH AND ECONOMIC GROWTH IN ETHIOPIA**BIRUK BIRHANU****LECTURER****DEPARTMENT OF ECONOMICS****COLLEGE OF BUSINESS AND ECONOMICS****JIMMA UNIVERSITY****JIMMA****WONDAFERAHU MULUGETA****ASST. PROFESSOR****DEPARTMENT OF ECONOMICS****COLLEGE OF BUSINESS AND ECONOMICS****JIMMA UNIVERSITY****JIMMA****TEMESGEN YAEKOB****LECTURER****DEPARTMENT OF ECONOMICS****COLLEGE OF BUSINESS AND ECONOMICS****JIMMA UNIVERSITY****JIMMA****ABSTRACT**

The main aim of this study is to demystify the mystery surrounding the belief that, government revenue growth rates engineered through the government multiplier process. The relationship between government revenue growth and economic growth is investigated for Ethiopia during the period 1974/75-2013/14. Theoretically and empirically it has been shown that revenue affect the allocation of resources and often distort economic growth. While, analyzing the long run and short run relationship between government revenue growth and economic growth the study applied Johansen's cointegration test, vector autoregression, and vector error correction model. Government revenue growth in general and with its component affect economic growth in the long run. Furthermore, in the short run the finding showed that there is independence relationship and the speed of adjustment is slow; only 27% and 7% for the components and total tax revenue growth with economic growth models respectively. However, compared with post tax reform periods, the latter has high speed of adjustment; meaning the speed of disturbances corrected each year in the short run become fast. Based on the findings the study highlighted some major issues that policymakers should consider for effective revenue generation policy formulation and implementation in line with the dynamic nature of the Ethiopian economy.

KEYWORDS

Government revenue growth, economic growth, Ethiopia.

1. INTRODUCTION

Government revenue is central to development and provides the funding they require to finance economic development and growth. Governments all over the world strives to create conducive environment that attract investments domestically as well as internationally. Among others, the means that helps to this kind of aspiration would be self-sufficient in revenue generation and financing whatever the economy requires by domestic means, so that managing inflationary tendencies become unforgettable task. The role of government revenue growth in influencing economic growth is not only the main concern of the economic policy makers, tax specialists and administrators but has long been of interest to academics. The government of Ethiopia exerts a great effort towards achieving economic prosperity in all aspects. For that matter, financing the development project by domestic means had given due attention. Hence, knowing the relationship between domestic sources and economic growth is mandatory. Since the nature of relationship between these two variables being positive, negative or neutral, the main reason for conducting the study is to ensure that; whether there is long run and short run relationship between the two variables, to avoid spurious regressions and also for policy making purposes where it is important for understanding whether the impact is a short run or long run.

2. LITERATURE REVIEW

The growth theory of the 1950s and 1960s typified by Solow and Swan (1956), was based on a production function that had capital and labour (with labour measured in man-hours) as the inputs into production. Constant returns to scale were assumed, as was diminishing marginal productivity of both inputs. Growth occurred in the model through the accumulation of capital without any exogenous changes but, there had to be a limit to this process.

Moreover, models that both allow sustained growth and determine its level are said to have 'endogenous growth'. To achieve this requires circumventing the decreasing marginal product of capital in a way that is determined by choices made by the agents in the economy. There have emerged in the literature four basic methods by which this can be achieved. All of these approaches achieve the same end-that of sustained growth-but by different routes.

Neoclassical growth models determine the long term rate of growth of a country by the labor supply and its technical progress (Tobin, 1955; Solow, 1956). This model, therefore, does not include any reference to the role of taxation on economic growth. In addition, it is still uncertain on how tax policy can promote economic growth and stability (Herfindahl, 1957).

However, tax is believed to affect a country's economic growth and should be considered in any economic growth model (Futagami et al, 1993; Barro and Sala-i-Martin, 1992). Therefore, in the endogenous growth theory the impact of tax is dependent on how other factors such as human capital is affected by the tax (Tanzi and Zee, 1997; Saint-Paul, 1992) and is included in the discussion. Economists have always believed that there is a connection between fiscal policies and economic growth. This connection has been thought to originate from various channels such as the negative effect of distortive tax on the performance of the economy (Roshaiza Taha et al, 2011).

Theory predicts that all taxes—with the exception of lump-sum taxes—create distortions, and such distortions could have negative consequences for growth. Similarly, tax structure varies around the globe with the prime motive of attaining maximum revenue with minimum distortion. Different countries have different

philosophies about taxation and have different methods for collection; in the same manner countries have different uses of their revenue which affect the growth differently and as a result their growth rates are different. (Atkinson, 1995; Castles and Dawrick, 1990; Agell et al, 1997), all argued that the different uses of total government revenue expenditure affect growth differently and a similar argument applies to the way the revenue should be raised. Over the last few decades, most countries have increased taxation quite dramatically while others are following suit, pertinent to their revenue generation aspiration efforts. Some have incorporated value added tax like Zimbabwe in 2004 and some are on the pipeline to do so (Dzingirai Canicio and Tambudzai Zachary, 2014).

Karayan et al, (2002) stated that, throughout the world, governments are first and foremost financed through taxation. The main reason of tax existence at everywhere is due to their characteristics as they are paid for the government to some extent but not the total price in many ways, both directly and indirectly. The study conducted by Oboh et al, (2012) indicates that the concept of taxation has been a concern of global significance because it affects every economy irrespective of national differences.

While defining the concept of taxation within the context of Africa; (Adedeji and Oboh, 2012) show it as old as mankind. In the early periods, governments of different countries impose the tax system to cover the expensive costs of the daily administration system, for defense and maintaining law and order in the country. In this contemporary periods however, the government gives much emphasis for the general welfare development in the country (McGee, 2008). In the modern civilization periods, tax becomes an essential part of all economic activities of both developed and developing countries (Parameswaran, 2005).

These findings imply that in our contemporary era of large government, high taxes lead to lower economic growth. When taxes go up, the growth in the income of taxpayers should decline. In fact, several decades of studies by economists confirm the proposition that the higher the level of taxation, the lower the rate of economic growth, holding non-tax factors constant. This reversed earlier conventional wisdom, such of that of distinguished public finance expert John F. Due, who, speaking about industrial location of firms, opined that studies "suggest very strongly that the tax effects cannot be of major importance" (Due 1961). By the later 1970s, however, research was reaching different conclusions, in part because the negative effects of taxes grew as the tax burden itself grew larger (Richard, 2001).

The tests on the relationship between the tax revenue growth and economic growth have been extensively performed especially in developed countries. The results show that economic development was the strongest determinant of tax growth. For instance, Easterly et al, (1994) has shown how the distortion in tax structure affects the growth rate. Similarly, Kneller et al, (1999) found evidence on how tax can negatively affect the growth rate. In contrast, it was found that a rise in income tax could lead to an increase in economic growth if the time preference is endogenously determined (Chang et al, 1999). It was further assumed that the government collects income tax revenue and transforms it into a productive public expenditure that has an effect on the economic growth. Most studies have examined how tax may encourage or discourage the long term economic growth rate (Padovano and Galli, 2002; Koch et al, 2005; Lee and Gordon, 2005). Most of the prior studies have found a positive relationship between tax and economic growth, but (Reed, 2008) has found a negative relationship between these two variables in US Compare to previous studies conducted in various part of the globe, this study has its own strength. Most recent (Gordon and Li, 2009; and Kuismanen and Kamppi, 2010) again emphasize on the significant effect of fiscal policy on the economic activity.

The findings of the few studies that analyzed the link between growth and tax structures rather than tax levels provide somewhat more conclusive answers than the studies that have focused on the level of taxation. In a related study, Gemell et al, (2006) use annual data and account for short-run dynamics in a similar way as done in this paper, and confirm the findings of (Kneller et al., 1999). In line with this, Widmalm, (2001) examines economic growth between 1965 and 1990 in a cross-section of 23 OECD countries, and finds that the proportion of tax revenues raised from taxing personal incomes is negatively correlated with growth. She also documents a tendency for consumption taxes to be growth-enhancing. Using disaggregate data, (Schwellnus and Arnold, 2008; and Vartia, 2008) document a negative effect of corporate taxes on the productivity of firms and industries, based on a large data sets of firms and industries across OECD countries.

From the tax reform side, as countries consider their tax systems identifying the growth implications of different tax instruments is useful for policy design, regardless of whether or not a change to the overall level of taxes is envisaged. Tax reform is the process of changing the existing tax system or the status quo to a new level of tax system so that the tax system can serve the main objective of financing government expenditure and meet other objectives. The general objective of tax reforms is similar among different countries, particularly among developing countries. A number of studies show that in developing countries tax systems are used to serve multiple objectives which include mobilization of resources to finance government expenditure; promoting saving and investment; encouraging the use of labor intensive techniques mostly the small and medium scale enterprises, whereby bringing about greater equity in distribution of income. (Islam, 2001; Roa, 2000).

The Ethiopian Government has been introducing tax policy reforms with a view to improving tax revenues collection because the fiscal deficit has necessitated tax reforms in the Tax and Customs Administrations since 1992. As pointed out by Demrew (2004), the country faced severe macroeconomic imbalances such as falling export earnings, worsening balance of payments, and mounting debts and declining economic growth, the country undertook various policy measures following a major economic shift from central planning to market oriented system.

The government has attempted to rationalize the tax structure, broaden the tax base, and improve equity, fairness, consistency, in the administration and the tax laws so as to increase revenues performance. As part of this reform program, the government has undertaken different tax policy measures through designing and implementation of six projects under tax policy and administration package. On the policy side, rate schedules have been rationalized and the numbers of rate slabs have been substantially reduced.

Moreover, Value Added Tax (VAT) has been introduced as a replacement of conventional sales tax in 2003 and foreign trade tariffs brought down from the maximum of 230 percent to a maximum of 35 percent by the reforms. Customs reforms and modernization was one of the major integral parts of Ethiopian tax reforms carried out over the last two couple of decades related to customs tariff of import and export trades to meet government revenues targets, facilitate the flows of legitimate goods and passengers eventually to register fastest and sustainable economic growth by putting in place conducive business environment for Foreign Direct Investment (FDI) and local investors to increase the competitiveness of the country's export on the international trade.

3. SIGNIFICANCE OF THE STUDY

The government of Ethiopia exerts a great effort towards achieving economic prosperity in all aspects. For that matter, financing the development projects by domestic means had given due attention. Hence, knowing the relationship between domestic sources and economic growth is mandatory. Thus, this research more than analyzing the current development on the issue, it attempts to fill the existing knowledge gap first, by empirically examining the impact of tax reform on the growth trajectory of the country. So that the Ministry of Finance and Economic Development, Ethiopian Revenue Authority, and the National Planning Commission will get valuable perspectives on how to design and implement responsive revenue-growth policies.

4. STATEMENT OF THE PROBLEM

Available evidence indicates that efforts have been made to analyze causality between tax revenue and economic growth in different countries. For instance, Dzingirai and Tambudzai (2014) investigate the short-run and long-run effects of economic growth on government tax revenue growth for Zimbabwe, during the period of 1980-2012. The result does not support the supply-side hypothesis which emphasizes the effect of tax towards economic growth in favor of Baro's theoretical assertion that changes in tax revenue does not change the long term growth trajectory, that is, the economy will be in a steady-state.

On the other hand, the empirical Study of Chigbu, et al (2011) on the causality between economic growth and taxation in Nigeria reveals that taxation as an instrument of fiscal policy affects the economic growth and taxation granger cause economic growth of Nigeria. On the basis of the econometric result, the study concluded that taxation is a very important instrument of fiscal policy that contributes to economic growth of a country.

The situation reveals the surge in government revenue, especially tax revenue and economic growth remains debatable issue on the side of fiscal policymakers because, studies conducted in different countries reached at different conclusions on the same issue. Hence, exerting an effort for Ethiopia have a paramount importance to demystify the nexus. Such attention, however, require appropriate policies drawn from the careful analysis on the macroeconomic variables.

Though there are vast literatures on the relationship between government revenue and economic growth in developed countries evidence from developing countries is still limited thus this paper seeks to extend the debate to Ethiopia. This seemingly puzzled many and led many to suspect the credibility of the stories of

fast economic growth over the past few years are a result of improved revenue. Moreover, understanding the relationship requires a thorough understanding in what manner does the revenue policy the country has and how it is related with the main macroeconomic objectives of a country; maintaining sustainable economic growth.

5. OBJECTIVES OF THE STUDY

The main objective of this study is to investigate the relationship between government revenue growth and economic growth. More specifically, the research attempt:

1. To identify how the growth in components of government revenue affects the long term and short term economic growth of the country.
2. To identify how the growth in total government revenue affects the long term and short term economic growth of the country.
3. To capture the effect of tax reform on economic growth Ethiopia.
4. To suggest feasible policy options to enhance the impact of government tax revenue and its components growth on the country's economic growth.

6. RESEARCH HYPOTHESIS

The preliminary study and different previous researches on this area shows that the relationship between revenue and economic growth would be positive, negative or neutral. To discuss the relationship between government revenue growth and economic growth, the following hypothesis is outlined.

First, regarding the relationship;

H_0 : Government revenue growth has no contribution to economic growth of Ethiopia.

H_A : Government revenue growth has contribution to economic growth of Ethiopia.

Second, regarding the time series nature of the data from equation (4c);

H_0 : $\delta = 0$, i.e., there is a unit root, and the series is non-stationary; against

H_A : $\delta < 0$, i.e., there is no unit root and the series is stationary.

Third, regarding the long run relationship between variables;

H_0 : There is no cointegration between series.

H_A : There is cointegration between series.

7. METHODOLOGY

This study investigates the empirical relationship between government revenue growth and economic growth in Ethiopia. Yearly time series data is collected for the period 1974/75 to 2013/14 providing 40 observations. Most of the studies conducted to study the relationship of economic growth with any variables (Colombage, 2009; Koch et al, 2005; Soli et al, 2008; Karran, 1985; Hahn, 2008; Butkiewicz and Yanikkaya, 2005) used the Gross Domestic Product (GDP) as the measurement of economic growth. This study uses real GDP growth rate as a proxy of economic growth (EG) and the value of GDP (using 2010/11 as base year). Base-year analysis expresses economic measures in base-year prices to eliminate the effects of inflation. Government revenue measured as total revenue growth (i.e., including the tax and non-tax revenue growth) is used in real terms. That is change in real GDP and change in real government tax revenue is used to estimate the whole model. All data's are obtained from NBE and MoFED.

7.1. Unit Root Test

Various time series techniques can be used in order to model the dynamic relationship between time series variables (Gujarati, 2004). However, it is important to determine the characteristics of the individual series before conducting further analysis. Therefore, unit root tests for stationary will be examined on the levels and first differences for all variables using the most common unit root tests, which is the Augmented Dickey-Fuller (ADF). In this research the ADF test is employed since there are no missing gaps and significant structural breaks in the dataset.

7.2. Optimal Lag Length

As a result, another key element in a model specification process is to determine the correct lag length. Several studies in this area demonstrate the importance of selecting a correct lag length. Estimates of the model would be inefficient and inconsistent if the selected lag length is different from the true lag length (Brooks, 2004). Selecting a higher order lag length than the true one over estimates the parameter values and increases the forecasting errors and selecting a lower lag length usually underestimate the coefficients and generates autocorrelated errors. Therefore, accuracy of parameters and forecasts heavily depend on selecting the true lag length. Though, there are so many criteria used in the literature to determine the lag length of an AR process. Hence, the ability to correctly locating the true lag length depends on IC the ordinary least Squares regression model has been run starting with lag zero upwards, since according to (Engle et al, 1995) it is the mostly used and recommended methodology used to determine the lag length. Thus, lag that provides the minimum value is chosen as the optimal lag length, in other words, among the IC that provides majority lag has been chosen as optimal lag length.

7.3. Long Run Cointegration: Johansen Approach

Since the influential work of Granger and Newbold (1974) and Engle and Granger (1987) on the treatment of integrated time series data, many studies have been conducted using the co-integration methodology in order to yield consistent results and avoid the spurious regression problems, particularly in causality testing. The purpose of co-integration test in this study is to examine whether economic growth and government revenue growth share a common stochastic trend, that is, whether they move on the same wave-length in the long-run though there might be some disequilibrium in the short-run. This research will employ Johansen's (1988) approach to determine whether any combinations of the variables are co-integrated. Johansen's methodology takes its starting point in the vector autoregression (VAR) of order p given by:

$$Y_t = \mu + A_1 Y_{t-1} + \dots + A_p Y_{t-p} + \epsilon_t \tag{1}$$

Where Y_t is an $n \times 1$ vector of variables that are integrated of order one commonly denoted $I(1)$ and ϵ_t is an $n \times 1$ vector of innovations. Johansen and Juselius, (1990) recommend the trace test and the maximum Eigen-value t-statistics in making the inference of the number of co-integrating vectors.

$$J_{trace} = -T \sum_{i=r+1}^n \ln(1 - \tilde{\lambda}_i) \tag{2}$$

$$J_{max} = -T \ln(1 - \tilde{\lambda}_r + 1) \tag{3}$$

For trace statistic, the null hypothesis is the number of co-integrating vectors is less than or equal to co-integrating vectors (r) against an unspecified alternative. In the case of maximum Eigen-value co-integration test, the null hypothesis is the number of co-integrating vectors (r) against the alternative of $1 + r$ (Ng et al, 2008). If the trace statistic is greater than the Eigen-value (critical value), we conclude that the model contains at least one co-integrating equation. Where this condition is violated at a higher order, determines the maximum number of co-integrating equations. Therefore, procedures in accordance with Johansen approach is used in this study.

7.4. Short-Run Vector Error Correction Model (VECM)

According to Engle-Granger, (1987), if two-time series are co-integrated then the VECM will represent them most efficiently. If cointegration has been detected between series, we know that there exists a long-term equilibrium relationship between them so we apply VECM in order to evaluate the short run properties of the cointegrated series.

A simple dynamic model of a short-run adjustment model is given by

$$Y_t = \alpha_0 + \gamma_0 X_t + \gamma_1 X_{t-1} + \alpha_1 Y_{t-1} + \epsilon_t \tag{4}$$

Where, Y_t is dependent variable, and Y_{t-1} are lagged values.

X_t is independent variable, and X_{t-1} are lagged values.

$\alpha_0, \gamma_0, \alpha_1, \gamma_1$ are parameters.

ϵt is the error term assumed to be $\epsilon t \sim iN(0, \delta^2)$.

The problems associated with the use of the short-run model are multicollinearity (this is a situation in which two or more independent variables in a multiple regression model are highly correlated) and Spurious correlation (this is a situation in which two variables have no causal connection, yet it may be inferred that they do as a result of a certain third unseen factor).

The problems are solved by estimating the first difference of equation (4) to obtain, and by developing the dynamic model, obtained by re parametrization of the equation.

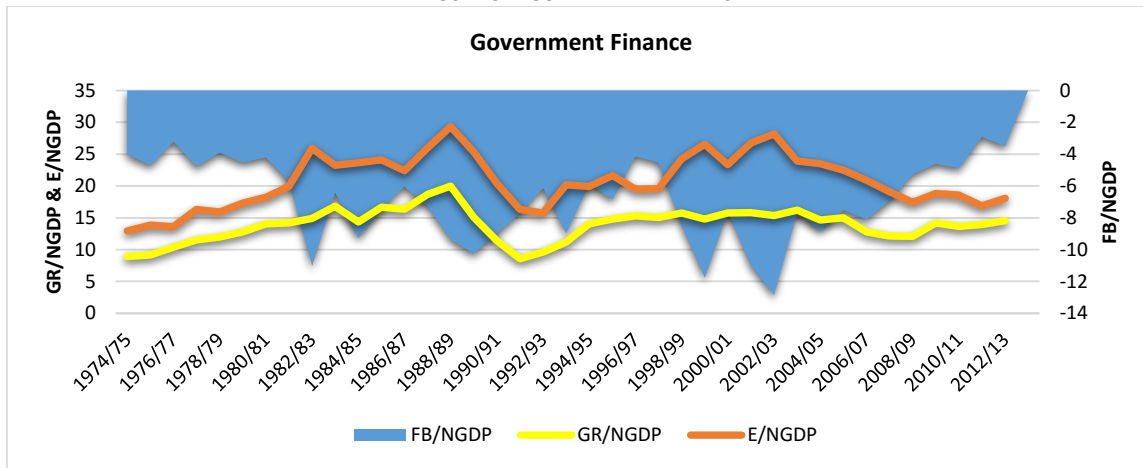
$$\Delta Y_t = \alpha_0 + \gamma_0 \Delta X_{t-1} + \gamma_1 \Delta X_{t-2} + \alpha_1 \Delta Y_{t-1} + \epsilon_t \text{-----5}$$

8. RESULT AND DISCUSSION

8.1 Fiscal Development in Ethiopia at a Glance

A commonly used indicator to assess the stance of fiscal policy is the overall balance, which measures the difference between revenues and grants, and expenditure and net lending. This balance may be in surplus or deficit. As a starting point for analysis, an overall deficit (surplus) would suggest an expansionary (contractionary) fiscal stance on the basis that the negative impact of taxes and other revenue on aggregate demand is more (less) than offset by the positive effects of government spending. Developments in the overall balance over time, particularly when related to GDP (or GNI), provide an indication of the changing impact of the government sector on the economy (IMF, 2014). For the purpose the study focuses on the overall balance excluding grant, this has been done deliberately to analyze the impact of domestic means towards achieving economic prosperity. The following figure provides an insight how these indicators evolve over time in Ethiopia.

FIGURE 8.1: GOVERNMENT FINANCE



Source: Own computation using NBE, 2014 data.

Ethiopia since 1974/75 never experiences fiscal surplus, if it has, can be used to finance productive expenditure, stabilize the economy, sustain debt and build up wealth. The share of average gross revenue to GDP during the Dergue regime was 13.95% while under the current government it declined to 13.88% in nominal terms. On the other hand, the percentage change in gross revenue to GDP during the Dergue regime were 2.37% while under the current government it reached at 1.69%, showing 0.67% decline at percentage point. Currently domestic tax revenue collection capacity excluding grant reached at 14.5% of NGDP, meaning progress has been registered compared to the previous regime.

According to Alemayehu.G and Abebe.S, 2005, The hard-control regime enacted tax laws consistent with its socialist economic policy. As all privately owned firms had been nationalized, the source of government revenue shifted from tax to the surplus transferred from nationalized firms and other transfers from rural areas through the agricultural marketing boards. Thus, the importance of tax revenue as such was significantly reduced.

After the coming into power of (the Ethiopian People Revolutionary Democratic Front, EPRDF) in 1991, the regime engaged in liberalization of the economy since 1992. General liberalization extended, among other things, to reform in taxation and tax administration. The government has enacted a number of proclamations aimed at reforming the income tax, taxes on goods and services, and tax on international trade. In line with the liberalization drive, the government not only reduced the average level of tax and tariffs but also made the move to focus more on the value-added. This was augmented by an effort to introduce information technology to increase the efficiency of tax administration. Although evaluating the effect of these reforms requires more time, the overall result shows that revenue has been increasing over the recent past.

Moreover, the evolution of revenue collection in Ethiopia has shown that, from the gross revenue collected (GR), tax revenue (TR) all the time is above the non-tax revenue (NTR). The share of tax revenue to gross revenue excluding grant during the Derge regime were 74.99% and under the current government it registered 74.66%, overall showing a decline at 0.33% in nominal terms. On the other hand, the share of non-tax revenue to gross tax revenue during the Derge regime were 25% while under the current government reached at 25.46%, exhibiting 0.46% increment at percentage point in nominal terms.

8.2 Unit Root Test

The ADF test for unit root of the variables are conducted at level. Table 8.1 shows unit root test of variables at level. As a result, we can overwhelmingly reject the null hypothesis of a unit root test at all level of significance and the model can be accepted since the coefficient of variables in all cases are negative. Since, all the variables are integrated of order one at level, i.e., I (1), we can proceed with the Johansen test of cointegration to determine whether there exists long term relationship of variables in the Trivariate and bivariate system of models.

The ADF test for unit root of the variables are conducted at level. Table 8.1 shows unit root test of variables at growth form.

TABLE 8.1: UNIT ROOT TEST OF VARIABLES AT GROWTH FORM

Variables	Augmented Dickey Fuller test								Decision
	Constant only				Constant and Trend				
	Test statistics	1% c.v	5% c.v	10% c.v	Test statistics	1% c.v	5% c.v	10% c.v	
grRGDP	4.305	3.615	2.941	2.609	6.156	4.226	3.536	3.200	I(1)
grRTR	4.956	3.615	2.941	2.609	4.909	4.219	3.533	3.198	I(1)
grRT _t R	4.314	3.615	2.941	2.609	5.394	4.219	3.533	3.198	I(1)
grRNTR	7.319	3.615	2.941	2.609	7.404	4.219	3.533	3.198	I(1)

Source: own computation using NBE data.

8.3 Optimal Lag Length

While, checking up to four lag order to include the 5% significance level suggest that lag 3 would be the correct lag length. This has been confirmed by LR, FPE, and AIC in both cases. Thus, it can be taken to estimate johansen test of cointegration, VAR and VECM models.

TABLE 8.2 A: LAG LENGTH SELECTION FOR TRIVARIATE MODEL

VAR Lag Order Selection Criteria						
Endogenous variables: GRRGDP GRRT.R GRRNTR						
Sample: 1 40						
Included observations: 35						
Lag	LogL	LR	FPE	AIC	SC	HQ
0	-418.9872	NA	5956361.	24.11355	24.24687*	24.15958*
1	-411.5745	13.13104	6541233.	24.20426	24.73752	24.38834
2	-408.1640	5.456783	9124039.	24.52366	25.45687	24.84580
3	-388.3963	28.23965*	5095160.*	23.90836*	25.24151	24.36856
4	-385.2111	4.004228	7563972.	24.24063	25.97374	24.83890

TABLE 8.2 B: LAG LENGTH SELECTION FOR BIVARIATE MODEL

VAR Lag Order Selection Criteria						
Endogenous variables: GRRGDP GRRT.R						
Sample: 1 40						
Included observations: 35						
Lag	LogL	LR	FPE	AIC	SC	HQ
0	-248.8558	NA	5761.147	14.33461	14.42349*	14.36530*
1	-246.4114	4.469702	6301.843	14.42351	14.69014	14.51555
2	-245.9810	0.737873	7751.683	14.62748	15.07187	14.78089
3	-236.4042	15.32283*	5675.917*	14.30881*	14.93095	14.52357
4	-233.5709	4.209478	6144.671	14.37548	15.17537	14.65160
Source: EViews version 6 using NBE data						
Note: * indicates lag order selected by the criterion						
LR: sequential modified LR test statistic (each test at 5% level)						
FPE: Final prediction error						
AIC: Akaike information criterion						
SC: Schwarz information criterion						
HQ: Hannan-Quinn information criterion						

8.4 Johansen Test Result for Long Run Cointegration

Table 8.3A and 8.3B, shows the summary of Johansen co-integration test results where both trace and maximum eigenvalue statistics find that one co-integrating vector exists between government revenue growth and economic growth. Therefore, we conclude that there is co-integrating vector between both variables, where both tests reject the null hypothesis of no co-integration with one co-integrating vector.

TABLE 8.3 A AND 8.3 B: JOHANSEN TEST OF COINTEGRATION

8.3 A: FOR TRIVARIATE MODEL				
H ₀	λ Trace	CV (5%)	λ Max – eigen	CV (5%)
r= 0	43.627	42.915	21.011	25.823
r= 1	22.615	25.872	11.911	19.387
8.3 B: FOR BIVARIATE MODEL				
r=0	28.266	25.872	20.070	19.387
r= 1	8.196	12.517	8.196	12.517

Source: Own computation using EViews version 6 NBE data

8.4 Long run Impact of Variables on Economic Growth

8.4.1 Trivariate Model

The long run relationship for parameter estimate of components of government revenue on economic growth is derived by normalizing growth in real GDP from Table 8.3A. The long run relationship is specified mathematically as;

$$grRGDP = -0.601T + 1.013grRT_xR + 0.112grRNTR$$

Where, T is time trend. The trend exert a negative effect on growth in RGDP. This implies that holding all other factors constant in the long run, as time passes by, the growth in real GDP of Ethiopia decline by about 60% each year. This is justified by the fact that since all the variables are changed in real terms inflation (i.e., imported inflation) and persistent devaluation of birr in terms of other currencies mainly dollar restrain the activities in the real sector. The other result has come up with the expected sign. On average a 1% growth in real tax revenue and real non-tax revenue increases the growth in real GDP by 1.01% and 0.11% respectively. Moreover, the degree of relationship is strong in the case of real tax revenue growth than real non-tax revenue growth. Accordingly, in the long run improving both tax and non-tax revenue is important for economic growth in Ethiopia, in other words both tax and non-tax revenues encourage economic growth of the country.

8.4.2 Bivariate Model

Also in the bivariate system it is important to look at how the growth in government revenue encourage or discourage economic growth in real term. The normalized cointegration coefficient is derived by normalizing growth in real GDP from Table 8.3B. The long run relationship is specified mathematically as;

$$grRGDP = -0.810T + 3.753grRTR$$

Where, T is time trend. The trend exerts a negative effect on growth in RGDP. Also it implies that holding all other factors constant in the long run, as time passes by, the growth in real GDP of Ethiopia decline by about 81% each year. Again, this is justified by the fact that as time goes on inflation and devaluation restrain the activities in the real sector. Moreover, the result in Table 5.6A shows the growth in real total tax revenue has a positive impact on economic growth and come up with the expected sign. In an empirical sense, a 1% growth in total revenue in real term increases the growth in real GDP on average by 3.75% and the coefficient shows strong relationship in Ethiopia for the period under investigation. This might be attributed to the fact that government take measures to enhance the tax collection capacity of institutions.

The finding of this result is consistent with (Friedman, 1978; Barro’s, 1979; Easterly et al 1994). On one side of the coin Friedman finds, raising tax revenue either through increasing tax rates or tax base would lead to more fiscal space which will drive growth. On the other side, Barro and easterly finding support the supply side hypothesis that the relationship between tax revenue and economic growth shows a positive relationship. Any significant increase in tax income will have a positive impact on economic growth. A possible explanation is that an increase in tax revenue will boost the economy and prospect development. Moreover, these results show that economic development was the strongest determinant of tax growth.

Besides, the model can be verified by its ability to justify that the coefficients of the model are stable over a sample interval, otherwise, a shift from one regression scheme to another cannot be located easily. Figure 8.2A and 8.2B shows the parameter stability test for trivariate and bivariate model respectively.

FIGURE 8.2 A: STABILITY TEST FOR TRIVARIATE MODEL

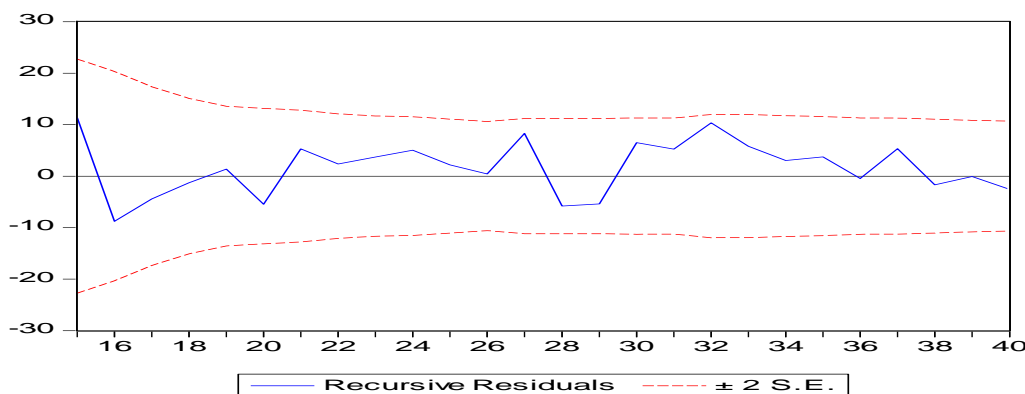
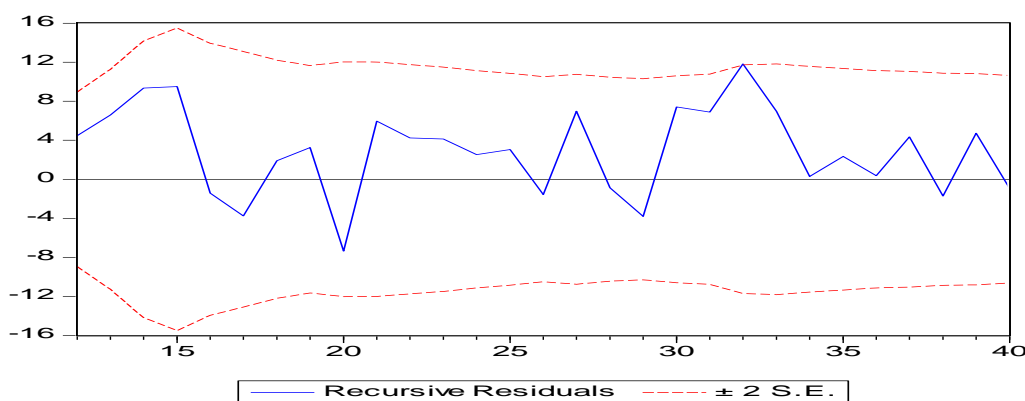


FIGURE 8.2 B: STABILITY TEST FOR BIVARIATE MODEL



8.5 Short Run Vector Error Correction Model

8.5.1 Trivariate Model

Since the series are co-integrated, the short run equation of the series can be determine using VECM. The VECM equation is as follows given the diagnostic test for stability results:

$$grRGDP = 0.332 - 0.274grRGDP_{t-1} + 1.013grRT_xR_{t-1} + 0.112grRNTR_{t-1}$$

Where,

ECT_{t-1} is represented by the coefficient of $grRGDP_{t-1}$

The speed of adjustment or the error correction term (ECT) in the trivariate setting is come up with the expected sign and level of significance. In an empirical sense, it implies 27% of the disturbance in the short run is corrected each year or it adjust any disequilibrium towards long run equilibrium state.

8.5.2 Bivariate Model

$$grRGDP = 0.521 - 0.069grRGDP_{t-1} + 3.753grRTR_{t-1}$$

Where,

ECT_{t-1} is represented by the coefficient of $grRGDP_{t-1}$

The speed of adjustment or the error correction term in the bivariate setting is come up with the expected sign and level of significance. In an empirical sense, it implies 7% of the disturbance in the short run is corrected each year or it adjust any disequilibrium towards long run equilibrium state. The slow speed of adjustment could be related to the revenue generation within the economy has been bedeviled by the narrow base of the economy, low-income levels, dominance of the primary sector, low monetization and urbanization. These constrained the federal government from generating and increasing its revenue from taxes.

All stability test conducted through VECM did not indicates any chronic indications, therefore the estimated VECM was statistically in a stable mode.

Likewise, the trivariate and bivariate system diagnostic test of residuals is examined and it shows that the model has desirable properties of OLS. Residual test of normality, serial correlation LM test and heteroskedasticity test is conducted. The result of heteroskedasticity test of the residuals also does not show evidence for autoregressive conditional heteroskedastic errors. This indeed is not surprising, since heteroskedasticity is not much problem in time series (Green14, 1997), the result is presented as follows for the trivariate and bivariate models respectively.

χ^2 Normality = 0.914 χ^2 Serial = 0.277 χ^2 Hetosckedasticity = 0.016, and

χ^2 Normality = 0.879 χ^2 Serial = 0.157 χ^2 Hetosckedasticity = 0.014

8.6 Government Tax reform and Economic Growth

Accordingly, wheather tax reform in Ethiopia has a positive impact on economic growth is investigated using Dummy variable with in a VECM environment. Year 2003/04, among others witnessed the scaling up of previous tax reforms, introduction of VAT and foreign trade tariff brought down would be taken to compare and contrast wheather tax reform has a positive and significant impact on economic growth. The following equation provides the result on tax reform and economic growth in Ethiopia.

$$grRGDP = -1.975 - 1.092grRGDP_{t-1} + 0.161grRTR_{t-1} + 6.751DUMMY$$

Where,

ECT_{t-1} is represented by the coefficient of $grRGDP_{t-1}$

The result in the above equation shows that, tax reform in Ethiopia has a positive and significant impact on economic growth. In addition it can be evident from the result that the ECT_{t-1} comes with the correct sign and it can be explained as 109% of the disturbance in the short run is corrected each year. While, comparing the amount of changes in real GDP to bring the system back to equilibrium before dummy has been inculcated (i.e., with 7% speed of adjustment) it could be inferred that tax reform remove large percentage of disequilibrium in each year. Hence, we can explain a 1% growth in real total revenue after tax reform increase real GDP growth by 6.7%. Thus it can be concluded that tax reform makes the contribution of growth in revenue very important for economic growth in real terms. Likewise, the bivariate system diagnostic test of residuals is examined and it shows that the model has desirable properties of OLS.

9. CONCLUSION AND RECOMMENDATION

This research attempts to determine the role of government revenue growth in fostering economic growth in the long run and short run for Ethiopia. To capture this, time series macroeconomic data were culled from 1974/75-2013/14. In fact it was worthwhile to conduct an empirical test to observe the time related nature of the relationship between revenue collection and growth in order to see the direction of movement of these so called two potent components of government fiscal policy. The determination of the causal ordering between these two macroeconomic aggregates is crucial to ensure a sharpening of tax policy and the effectiveness of fund management for expenditure (Taha and Loganathan, 2008) and poverty eradication.

The econometric analysis, using Johansen test of co-integration affirmed that a long run relationship exists between the explanatory and explained variable both in trivariate and bivariate system. In the long run, both the trivariate and bivariate form of model estimation reveals both growth in tax, non-tax revenue and total revenue encourage economic growth. Besides, the model ability in maintained hypothesis that the coefficients of the model are stable over a sample interval is verified.

In the short run, the speed of adjustment is slow implying that it takes long for growth in real GDP to move back to its equilibrium once it drifts away from its long run equilibrium value.

While looking at the relationship between government revenue growth and economic growth in Ethiopia after tax reform periods, the result confirmed that reforming the tax system and structure catalyzes the trajectory of economic growth. Then, in terms of the impact of growth in total revenue on economic growth and the speed of adjustment the post-reform period's exhibits very great importance. Hence, the following policy recommendations is forwarded to improve the nexus in government revenue growth and economic growth for Ethiopia.

- Government revenue growth including its component have insignificant effect on economic growth in the trivariate and bivariate system for long run and short run most of the time. It should be noted that improvement in government revenue generation is not productive and buoyant enough to influence economic growth as expected. Therefore, fiscal institutions must build the principle of good governance in administering the revenue generated from the economy.
- The ratio of tax revenue to GDP is very low in Ethiopia even as compared to sub Saharan African economies, and the country never experiences fiscal surplus over the period under investigation. This is attributed to low tax rate, and oftentimes government were seen on bond financing and foreign debt to finance fiscal gap. Therefore, optimal tax rate should be the concern of government and decided to finance the budget. For this purpose, government can use debt and tax instrument simultaneously.
- There are several ways to extend this paper. Since the impact of fiscal policy on economic growth is unmitigated debate, it could be possible to extend the debate for Ethiopia by examining the correlation fiscal policy (i.e., distortionary revenues, non-distortionary revenues and other revenues) with economic growth, average tax rate and economic growth, and by inculcating control variables to tax revenue (i.e., inflation, population and trade openness) with economic growth.

REFERENCES

1. Adedeji, T. O. and Oboh, C. S. (2012). An Empirical Analysis of Tax Leakages and Economic Growth in Nigeria. *European Journal of Economics, Finance and Administrative Sciences*, 48(1), 43-52.
2. Agell, J., Lindh, T. & Ohlsson, H. 1997. Growth and the public Sector: A Critical Review Essay, *European Journal of Political Economy*, 13:33-52.
3. Alemayehu.G & Abebe.S.2005, "Tax and Tax Reform in Ethiopia, 1990-2003", UN WIDER, Research paper No.2005/65.
4. Atkinson, A. B., 1995. The welfare state and economic performance, *National Tax Journal*, 48: 171-198.
5. Barro, RJ & Sala-i-Martin, X 1992, 'Public finance in models of economic growth', *Review of Economic Studies*, vol. 59, no. 201, pp. 645-661.
6. Butkiewicz, JL & Yanikkaya, H 2005, 'The effects of IMF and World Bank lending on long-run economic growth: an empirical analysis', *World Development*, vol. 33, no. 3, pp. 371-391.
7. Chang, W-Y, Tsai, H-F & Lai, C-C 1999, 'The steady-state effects of income taxation with endogenous time preference', *Public Finance Review*, vol. 27, no. 6, pp. 648-664.
8. Colombage, SRN 2009, 'Financial markets and economic performances: Empirical evidence from five industrialized economies', *Research in International Business and Finance*, vol. 23, no. 3, pp. 339-348.
9. Demirew, Getachew (2004). Tax Reform in Ethiopia & Progress to Date. Addis Ababa: Ethiopian Economics Association, International Conference on Ethiopian Economy June 3-4.
10. Dzingirai Canicio, Tambudzai Zachary, 2014, Causal Relationship between Government Tax Revenue Growth and Economic Growth: A Case of Zimbabwe (1980-2012), *Journal of economics and sustainable development*.
11. Engle, RF & Granger, CWJ 1987, 'Co-integration and error correction: representation, estimation and testing', *Econometrica*, vol. 55, no. 2, pp. 251-276.
12. Engle, RF & Granger, CWJ, 1987, 'Co-integration and error correction: representation, estimation and testing', *Econometrica*, vol. 55, no. 2, pp. 251-276.
13. Engle, RF, Newbold, P & Granger, CWJ, 1995, 'Co-integration and error correction: representation, estimation and testing', *Econometrica*, vol. 55, no. 2, pp. 251-276.
14. Friedman, M. 1978. The Limitations of Tax Limitation, *Policy Review*, summer, 7-14.
15. Futagami, K, Morita, Y & Shibata, A 1993, 'Dynamic analysis of an endogenous growth model with public capital', in Andersen, TM & Moene, KO (eds.), *Endogenous growth*, Cambridge, USA, Blackwell Publishers, pp. 217-235.
16. Gemmill, N., R. Kneller and I. Sanz (2006), "Fiscal Policy Impacts on Growth in the OECD: Are They Long- or Short-Term?" Mimeo, University of Nottingham 2006.
17. Gordon, R & Li, W 2009, 'Tax structures in developing countries: Many puzzles and a possible explanation', *Journal of Public Economics*, vol. 93, no. 7-8, pp. 855-866.
18. Granger, CWJ & Newbold, P, 1974, Spurious regressions in econometrics, *Journal of Econometrics*, vol. 2, no. 2, pp. 111-120.
19. Gujarati, D.N, 2004, *Basic Econometrics*, 4th ed. McGraw-Hill Companies.
20. Herfindahl, OC 1957, 'Tax policy for stability and growth', *The American Economic Review*, vol. 47, no. 2, pp. 139-144.
21. International Monetary Fund. 2014. "Guideline for Fiscal Adjustment", pamphlet No.49.
22. Islam, A. (2001). Issues in Tax Reforms. *Asia-Pacific Development Journal*, Vol. 8, 13.
23. Johansen, S & Juselius, K 1990, 'Maximum likelihood estimation and inference on cointegration with applications to the demand for money', *Oxford Bulletin of Economics & Statistics*, vol. 52, no. 2, pp. 169-210.
24. Johansen, S., 1988, "Statistical Analysis of Cointegration Vectors," *Journal of Economic Dynamics and Control*, Vol. 12, No. 2-3, pp. 231-254.
25. Karayan, J. E. Swenson, C. And Neff, J. (2002). *Strategic Corporate Tax Planning*. Hoboken, New Jersey. John Wiley & Sons, Inc.
26. Karran, T 1985, 'The determinants of taxation in Britain: an empirical test', *Journal of Public Policy*, vol. 5, no. 3, pp. 365-386.
27. Koch, S, Schoeman, N & Tonder, J 2005, 'Economic growth and the structure of taxes in South Africa: 1960-2002', *The South African Journal of Economics*, vol. 73, no. 2, pp. 190-210.
28. Koch, S, Schoeman, N & Tonder, J 2005, 'Economic growth and the structure of taxes in South Africa: 1960-2002', *The South African Journal of Economics*, vol. 73, no. 2, pp. 190-210.
29. Kuismanen, M & Kamppi, V 2010, 'The effects of fiscal policy on economic activity in Finland', *Discussion Papers 1/2009*, Ministry of Finance.
30. Lee, Y & Gordon, RH 2005, 'Tax structure and economic growth', *Journal of Public Economics*, vol. 89, no. 5-6, pp. 1027-1043.
31. McGee, R. W. (2008). *Taxation and Public Finance in Transition and Developing Economies*. New York: Springer Science and Business Media, LLC.

32. Ng, YL, Har, WM & Tan, GM, 2008, 'Real exchange rate and trade balance relationship: An empirical study on Malaysia', *International Journal of Business and Management*, vol. 3, no. 8, pp. 130-137.
33. Oboh, C. Isa, E. And Yeye, O. (2012). An Empirical Investigation of Multiple Tax Practices and Taxpayers' Compliance in Nigeria. Unpublished research work.
34. Padovano, F & Galli, E 2002, 'Comparing the growth effects of marginal vs. average tax rates and progressivity', *Europäische Zeitschrift für politische Ökonomie*, vol. 18, no. 3, pp. 529-544.
35. Parameswaran, R. (2005). *Public Finance and Taxation*. Addis Ababa, Addis Ababa University, Ethiopia.
36. Rao, M. Govinda (2000). *Tax Reform in India: Achievements and Challenges*. Asia-Pacific Development Journal, Vol. 7, 2.
37. Reed, M. S., 2008, *Fiscal policy, private investment and economic growth in USA*, *Studies in Economics and Finance*, vol. 25, no. 2, pp. 112-130.
38. Richard Vader, 2001, *Tax and economic growth*, Ohio University.
39. Roshaiza Taha, Loganathan, Nanthakumar and Sisira R.N. Colombage, 2011, *The Effect of Economic Growth on Taxation Revenue: The Case of a Newly Industrialized Country*, *International review of business research*.
40. Saint-Paul, G 1992, 'Fiscal policy in an endogenous growth model', *The Quarterly Journal of Economics*, vol. 107, no. 4, pp. 1243-1259.
41. Soli, VO, Harvey, SK & Hagan, E 2008, 'Fiscal policy, private investment and economic growth: the case of Ghana', *Studies in Economics and Finance*, vol. 25, no. 2, pp. 112-130.
42. Solow, R. M. (1956), 'A contribution to the theory of economic growth', *Quarterly Journal of Economics*, vol. 70, pp. 65-94.
43. Swan, T. W. (1956), 'Economic growth and capital accumulation', *Economic Record*, vol. 32, pp. 334-61.
44. Taha, R & Loganathan, N 2008. *Causality between tax revenue and government spending in Malaysia*, *International Journal of Business and Finance Research*, vol. 2, no. 2, pp. 63-73.
45. Tanzi, V & Zee, HH 1997, 'Fiscal policy and long-run growth', *Staff Papers - International Monetary Fund*, vol. 44, no. 2, pp. 179-209.
46. Tobin, J 1955, 'A dynamic aggregative model', *The Journal of Political Economy*, vol. 63, no. 2, pp. 103-115.

NON PERFORMING ASSETS MANAGEMENT OF KERALA FINANCIAL CORPORATION (KFC)

DR. C. SANKAR
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
KARPAGAM UNIVERSITY
COIMBATORE

VINOD K. RAJU
RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
KARPAGAM UNIVERSITY
COIMBATORE

ABSTRACT

The primary function of financial institutions is to lend funds as loans to various sectors such as agriculture, industry, personal loans, housing loans etc., in recent times the institutions have become very cautious in extending loans. The reason being mounting non-performing assets (NPAs). An NPA is defined as a loan asset, which has ceased to generate any income for a bank whether in the form of interest or principal repayment. In order to study the menace of NPA, Kerala Financial Corporation (KFC) the premier institution which provides long term finance for industrial enterprises and assistance to the sick units for the rehabilitation purpose has been selected. NPA is a serious problem faced by KFC. Non-performance in a loan asset is the bane of the financial institutions in India. It is the universal problem and can cripple the economy of any nation. Mounting non-performing assets in a banking sector was the main reason for the financial crisis in the South East Asian countries. The Net NPA of KFC as per the records shows a declining trend. There is a tendency among the beneficiaries of the corporation to delay repayment of the loans and some percentage of these payments also turns into bad debts. The NPA and loans and advances are negatively correlated. It shows that while the amount of loan increases over the years, NPA shows a declining trend. The total amount of loan increased year by year, because corporation introduces variety of new loan schemes.

KEYWORDS

Kerala financial corporation, non-performing assets, state financial corporation, development financial institution, economic development.

INTRODUCTION

The primary function of financial institution's to lend funds as loans to various sectors such as agriculture, industry, personal loans, housing loans etc., in recent times the institutions have become very cautious in extending loans. The reason being mounting non-performing assets (NPAs). An NPA is defined as a loan asset, which has ceased to generate any income for a bank whether in the form of interest or principal repayment. As per the prudential norms suggested by the Reserve Bank of India (RBI), a bank cannot book interest on an NPA on accrual basis.

BACKGROUND AND DEFINITION OF THE PROBLEM

In other words, such interests can be booked only when it has been actually received. In order to study the menace of NPA, Kerala Financial Corporation (KFC) the premier institution which provides long term finance for industrial enterprises and assistance to the sick units for the rehabilitation purpose has been selected. NPA is a serious problem faced by KFC. Even though the balance sheet figures shows the declining trend in NPA, an examination of financial records of KFC brings out the fact that over the years a sizable amount has been written off as a NPA. This has contributed much to the operating loss of NPA of KFC.

OBJECTIVES OF THE STUDY

1. To analyze the performance of Non- Performing Asset in Kerala Financial Corporation.
2. To assessing the impact of NPA in functioning of Kerala Financial Corporation.
3. To analyze the lending pattern of the organization.
4. To provide better solutions in order to avoid or control the emergence of NPA in Kerala Financial Corporation.
5. To analyse the relationship between total assets with Non- Performing Assets.
6. To understand the position if NPA using various tools such as percentage analysis, trend analysis etc. in the organization.

RESEARCH METHODOLOGY**RESEARCH DESIGN**

This is a descriptive study of the Non-Performing Assets Management at Kerala Financial Corporation. The goal of a descriptive study is to offer a profile or to describe relevant aspects of the phenomena of interest from an individual, organisational, industry-oriented, or other perspective. Hence this study makes an evaluation of the prevailing Non Performing Assets Management with the help of annual report data. Both primary and secondary data have been used for the study.

❖ **Source of Data**

The study is descriptive making use of primary and secondary data. Data have been collected through primary and secondary sources.

❖ **Primary sources**

The researcher has collected primary data through structured questionnaire method from defaulters of loan repayment and interview with the managers and employees of KFC. Response was more encouraging as most people were willing to supply information on personal approach. It was easy to obtain information more accurately and also to clear doubts then and there. The language of communication was adapted to the status and educational level of the person interviewed, thus avoiding inconvenience and misinterpretation it took quite a considerable amount of time to collect information through the sources.

❖ **Secondary sources**

Secondary sources have been depended upon to collect information which the researcher finds impracticable to collect as first-hand information. Past data collected by others, from the company's annual reports, official publications of the RBI and internet are the secondary sources from which the researcher has collected the necessary information. Information from these sources has been very useful in data analysis.

The data collected from both primary and secondary sources have been used product evenly by the researcher for data analysis, which in turn helped in bringing out flourishing results.

SCOPE OF THE STUDY

Non-performance in a loan asset is the bane of the financial institutions in India. It is the universal problem and can cripple the economy of any nation. Mounting non-performing assets in a banking sector was the main reason for the financial crisis in the South East Asian countries. This article is intended to analyze and understand thoroughly the incidence of NPA and its effect on the overall performance of Kerala Financial Corporation (KFC), Thiruvananthapuram. The study is conducted among the borrowers of KFC's Thiruvananthapuram District. The scope of the study covers the firm's NPA of the five financial years from 2007-08 to 2011-12. The study also encompasses the recommendations on basis of the outcomes, the adhering of which is expected to bring good results to the organisation.

TOOLS FOR ANALYSIS

- Trend analysis
- Correlation analysis
- Liquidity management pattern
- Analysis of liability structure
- Analysis of asset structure

TREND ANALYSIS

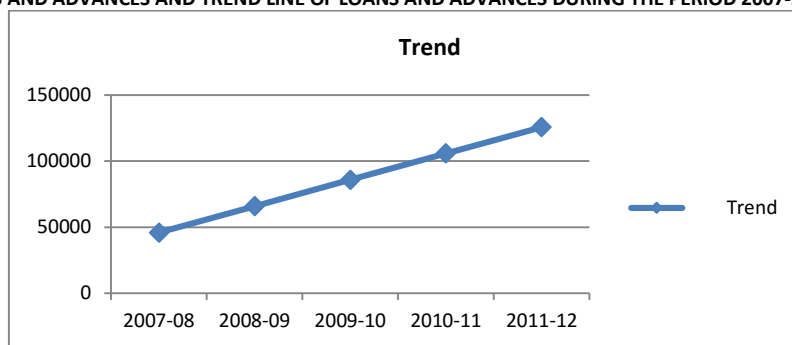
TREND ANALYSIS OF LOANS AND ADVANCES DURING THE YEAR 2007-2008 TO 2011-2012

TABLE 1: LOANS AND ADVANCES AND TREND LINE OF LOANS AND ADVANCES DURING THE PERIOD 2007-2008 TO 2011-2012

Year	Loans & advances (y) (Rs. In lakhs)	Trend
2007-08	50826.26	45857.77
2008-09	58981.79	65839.26
2009-10	82830.42	85820.75
2010-11	112481.40	105802.24
2011-12	123983.89	125783.73
	$\Sigma y=429103.76$	

Source: Annual Reports of KFC

GRAPH 1: LOANS AND ADVANCES AND TREND LINE OF LOANS AND ADVANCES DURING THE PERIOD 2007-2008 TO 2011-2012



Interpretation

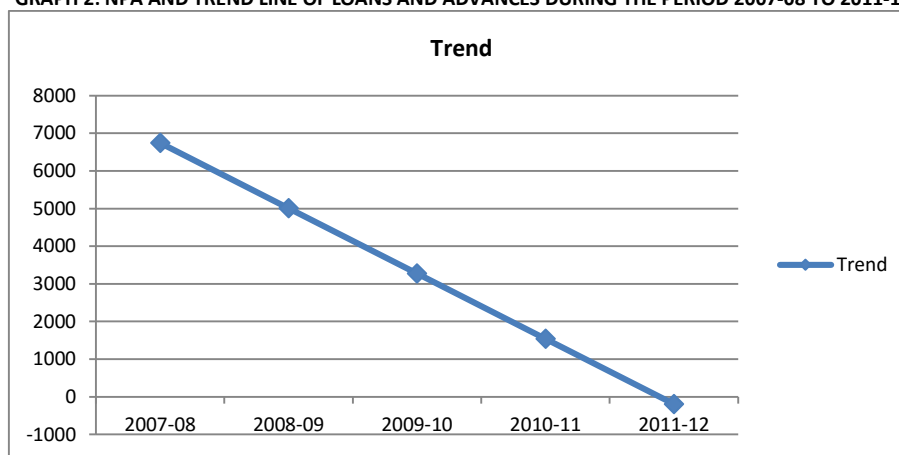
From the above line diagram, there is an increasing trend in the loans and advances of the firm. Each year there is an increasing trend in the loans and advances than previous year. So this indicate that firms operations are more than from each previous year. In each year the amount of loans and advances are increasing.

TABLE 2: TREND ANALYSIS OF NPA DURING THE PERIOD 2006-07 TO 2010-11

Year	NPA (y)	Trend
2007-08	14410	6746
2008-09	8038	5011.5
2009-10	1991	3277
2010-11	1975	1542
2011-2012	1563	-191
	$\Sigma y=16385$	

Source: Annual Reports of KFC

GRAPH 2: NPA AND TREND LINE OF LOANS AND ADVANCES DURING THE PERIOD 2007-08 TO 2011-12



Interpretation

From the above line diagram there is decreasing trend in NPA. In the year 2007-2008 the value of NPA is 6746 but in the year 20011-2012 this will be low -191. Here the value of NPA in the last year is below 0. That means the NPA is decreasing each year than the previous year. It indicates that, decreasing rate of NPA is benefit to the firm.

CORRELATION ANALYSIS

TABLE 3: CORRELATION OF LOANS AND ADVANCES AND NPA OF THE PERIOD FROM 2007-08 TO 2011-12

Year	Loans & Advances (Rs. in crore) x	NPA (Rs. in crore) y
2007-08	508.27	144.10
2008-09	589.82	80.38
2009-10	828.30	19.91
2010-11	1124.81	19.75
2011-12	1239.03	15.63
	Σx=4291.03	Σy=279.77

Source: Annual Reports of KFC

$$r = \frac{n \sum xy - (\sum x)(\sum y)}{\sqrt{n(\sum x^2) - (\sum x)^2} \sqrt{n(\sum y^2) - (\sum y)^2}}$$

$$= \frac{-306819.36}{360324.15}$$

r = -0.852

CHART 1: RELATIONSHIP BETWEEN LOANS AND ADVANCES WITH NPA



Interpretation

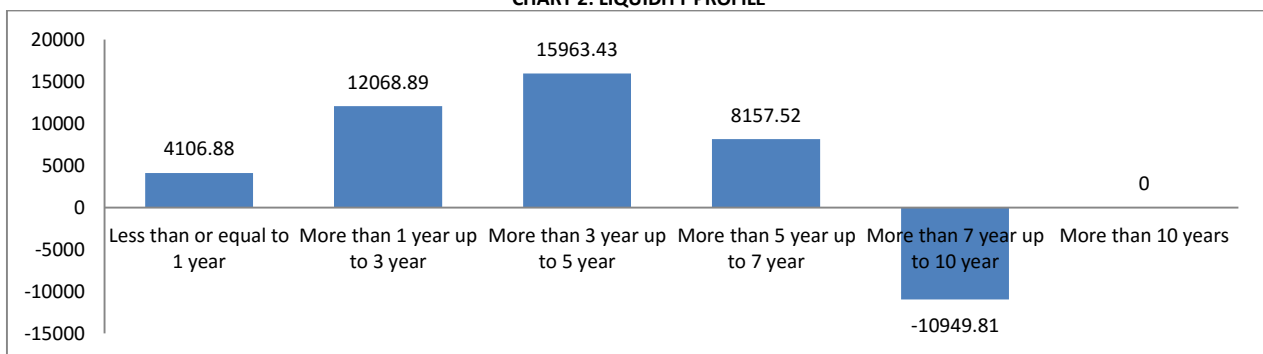
From the above calculation the correlation coefficient of loans & advances and NPA is -.852. That means the correlation is negative it lies between -1 and 0. Correlation is the relationship between two variables. So, the values must lies between -1 and +1. Here the value is -.852. so there is no relationship between two variables. Then the NPA and loans & advanced are negatively correlated. Whenever increase the value of NPA, the value of loans & advances decreases. The value of two in opposite directions, the correlation said to be negative.

TABLE 4: ANALYSIS OF LIQUIDITY MANAGEMENT IN MATURITY

Maturity period	Assets	Liabilities	Liquidity Gap	Cumulative Liquidity Gap
Less than or equal to 1 year	24753.37	20646.49	4106.88	4106.88
More than 1 year up to 3 year	46360.99	34292.10	12068.89	16175.77
More than 3 year up to 5 year	32282.75	16319.32	15963.43	32139.20
More than 5 year up to 7 year	15685.09	7527.57	8157.52	40296.72
More than 7 year up to 10 year	4901.68	15851.49	-10949.81	29346.91
More than 10 years	0	0	0	29346.91
Total	123983.88	94636.97		

Source: Annual Reports of KF

CHART 2: LIQUIDITY PROFILE



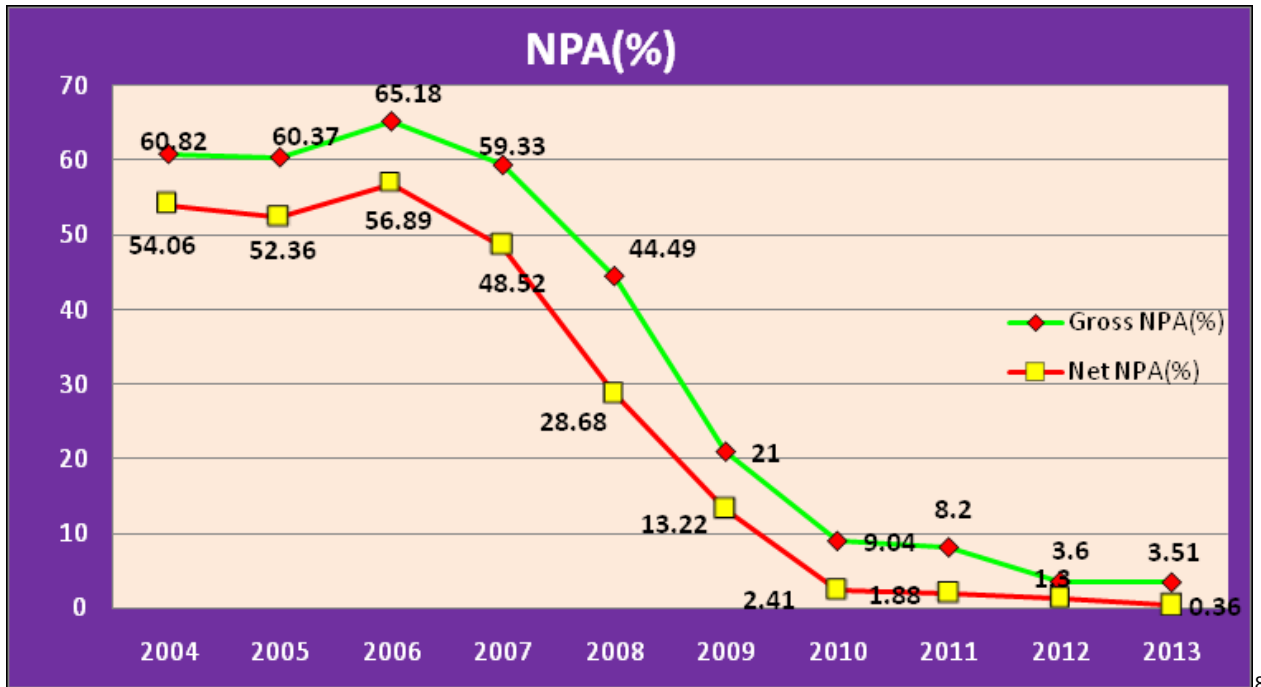
Interpretation

The positive liquidity gap of KFC up to 7 years maturity period indicates the excess liquidity of the KFC. Even though the KFC had negative liquidity gap in certain maturity, its cumulative liquidity gaps were positive in most of the period, which implies the excess liquidity. Since there was not any short-term liquidity crisis in the study period the org. was in a safer position.

ASSET QUALITY

Scientific & practical compromise settlement policies are in place for realization of amounts blocked in old and non-performing advances. These are also reflected in the fall in the level of non-performing assets to 0.36% in terms of Net NPA, and to around 3.51% at the Gross Level which is maintained only by a few financial/banking institutions with high standards. Apart from policies for Compromise Settlement, guidelines have been prepared for monitoring of loan accounts which help in avoiding slippage of loan accounts and thus to prevent quality of loan portfolio from deteriorating

GRAPH 3



ANALYSIS OF LIABILITY STRUCTURE RATIO

1. Owned fund to working capital (Interest free funds)

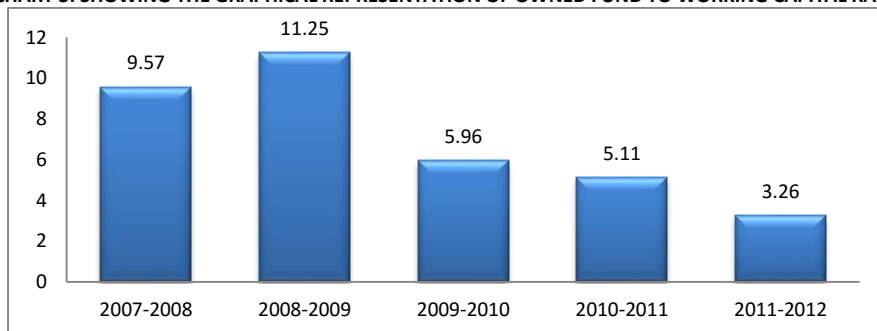
$$\text{Owned fund to working capital ratio} = \frac{\text{Owned fund}}{\text{Working capital}} \times 100$$

TABLE 5: OWNED FUND TO WORKING CAPITAL RATIO

Year	Owned fund	Working fund	Ratio
2007-2008	5946.6	62097.29	9.57
2008-2009	7741.6	68804.12	11.25
2009-2010	4699.52	78827.76	5.96
2010-2011	4894.49	95676.61	5.11
2011-2012	3358.5	102808.06	3.26

Source: Annual Reports

CHART 3: SHOWING THE GRAPHICAL REPRESENTATION OF OWNED FUND TO WORKING CAPITAL RATIO



Interpretation

The ratio was the least during 2007-2008 and 2011-2012. Since the cost of owned fund is low, a higher proportion of owned fund is desired to reduce the average cost of funds of KFC. The organisation has to increase its owned fund by increasing its membership and improving its performance so that greater provision can be made towards the reserves.

2. Borrowings to working capital ratio

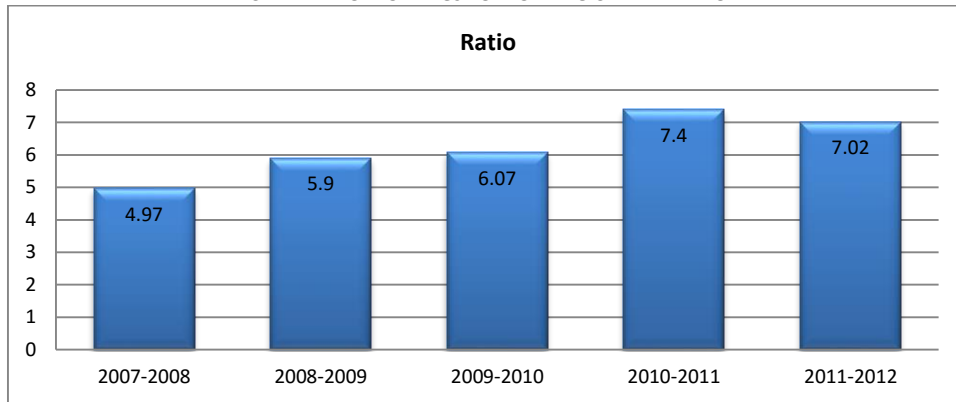
$$\text{Borrowings to working capital ratio} = \frac{\text{Borrowings}}{\text{Working capital}} \times 100$$

TABLE 6: BORROWINGS TO WORKING CAPITAL RATIO

Year	Borrowings	Working fund	Ratio
2007-2008	3089.35	62097.29	4.97
2008-2009	4063.40	68804.12	5.90
2009-2010	4790.26	78827.76	6.07
2010-2011	7086.19	95676.61	7.40
2011-2012	7218.39	102808.06	7.02

Source: Annual Reports of KFC

CHART 4: BORROWINGS TO WORKING CAPITAL RATIO



Interpretation

During the year 2007-2008, the ratio of borrowings to working capital was around 10 percent and there was a steep increase in the ratio to 11.25 percent during 2008-2009. The ratio declined from 11.25 percent to 3.26 percent from 2008-2009 to 2011-2012. Such a steep variation is a desirable trend.

ANALYSIS OF ASSET STRUCTURE RATIO

1. Earning asset to working fund ratio

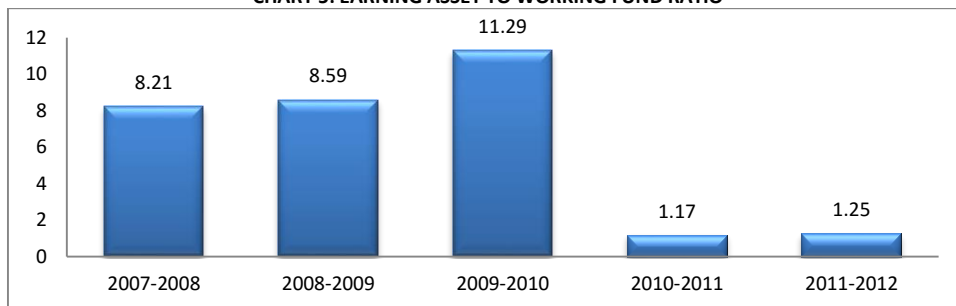
$$\text{Earning asset to working fund ratio} = \frac{\text{Loans + Financial investment}}{\text{Working fund}} \times 100$$

TABLE 7: EARNING ASSET TO WORKING FUND RATIO

Year	Loans + investments	Working fund	Ratio
2007-2008	5101.55	62097.29	8.21
2008-2009	5914.95	68804.12	8.59
2009-2010	8906.83	78827.76	11.29
2010-2011	1127.69	95676.61	1.17
2011-2012	1286.18	102808.06	1.25

Source: Annual Reports of KFC

CHART 5: EARNING ASSET TO WORKING FUND RATIO



Interpretation

During the study period, the earning assets to working capital ratios shows that during the period 2007-2010 there is in increasing in earning asset to working capital but in remaining years low in earning asset because lack of effective use of funds. The shares of earning asset to working fund reflect the utilization of working fund in income generating assets. The declining trend increases the risk of the organization.

2. Cash in hand to working fund ratio

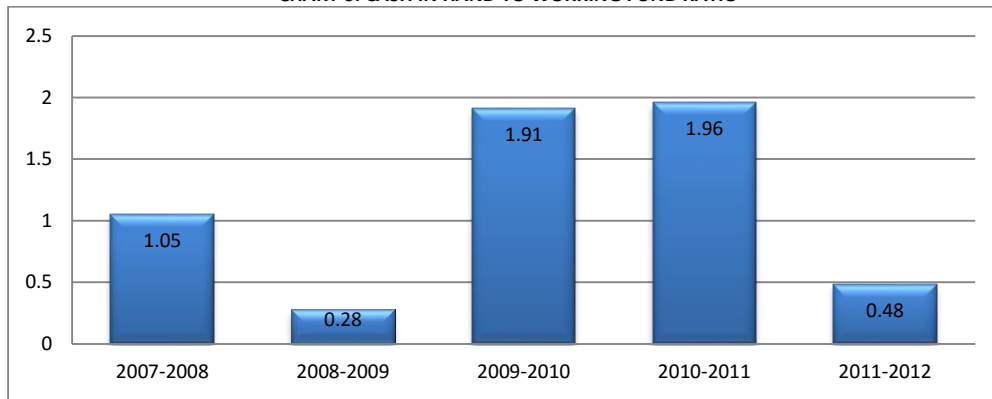
$$\text{Cash in hand to working fund ratio} = \frac{\text{Cash in hand}}{\text{Working fund}} \times 100$$

TABLE 8: CASH IN HAND TO WORKING FUND RATIO

Year	Cash in hand	Working fund	Ratio
2007-2008	655.6	62097.29	1.05
2008-2009	197.5	68804.12	0.28
2009-2010	151.1	78827.76	1.91
2010-2011	188.0	95676.61	1.96
2011-2012	495.7	102808.06	0.48

Source: Annual Report of KFC

CHART 6: CASH IN HAND TO WORKING FUND RATIO



Interpretation

The ratio of cash in hand to working fund was below 1 % in the year 2008-2009 and 2011-2012. In the year 2009-2011 there slightly increase the liquid cash. The proportion of cash in hand should be kept to minimum in order to reduce the risk of the organization.

1. Cash at bank to working fund ratio

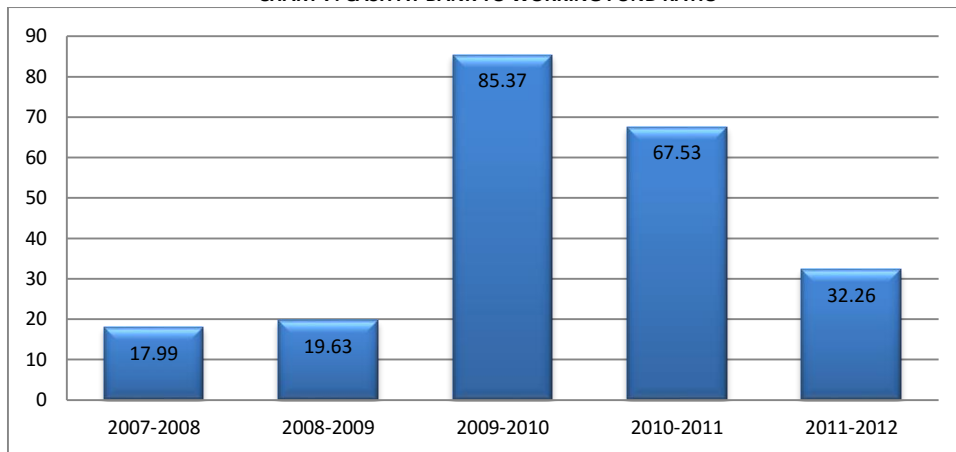
$$\text{Cash at bank to working fund ratio} = \frac{\text{Cash at bank}}{\text{Working fund}} \times 100$$

TABLE 9: CASH AT BANK TO WORKING FUND RATIO

Year	Cash at bank	Working fund	Ratio
2007-2008	11175	62097.29	17.99
2008-2009	13510	68804.12	19.63
2009-2010	67296	78827.76	85.37
2010-2011	64611	95676.61	67.53
2011-2012	33172	102808.06	32.26

Source: Annual Report of the KFC

CHART 7: CASH AT BANK TO WORKING FUND RATIO



Interpretation

From the above chart, the rate of cash at bank increases up to a certain level then it decreasing slightly. In the year 2009-2010 the value of cash at bank 85.37 that is high rate of cash at bank, it increasing from previous year. Cash at bank to working capital ratio is an indicator of the liquidity position of the bank.

2. Fixed asset to working capital ratio

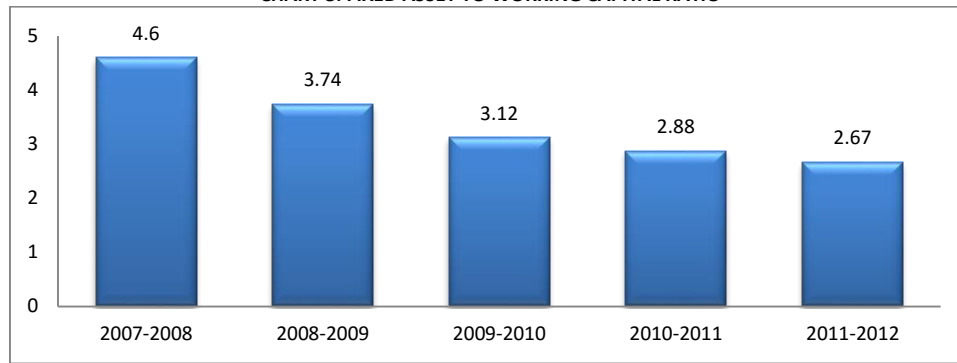
$$\text{Fixed asset to working capital ratio} = \frac{\text{Fixed asset}}{\text{Working capital}} \times 100$$

TABLE 10: FIXED ASSET TO WORKING CAPITAL RATIO

Year	Fixed assets	Working fund	Ratio
2007-2008	2859.58	62097.29	4.60
2008-2009	2576.81	68804.12	3.74
2009-2010	2464.30	78827.76	3.12
2010-2011	2759.80	95676.61	2.88
2011-2012	2748.10	102808.06	2.67

Source: Annual Report of KFC

CHART 8: FIXED ASSET TO WORKING CAPITAL RATIO

**Interpretation**

The above chart reveals that the value fixed assets is decreasing each year comparatively declining from the previous year. In a firm fixed assets and working fund should be balanced then only the organization can running smoothly. Here the fixed asset is decreasing each year. The declining of fixed assets decreases the risk of the organization up to a certain level but it should not decreasing less than the balancing level of working fund. It should affect the organization.

FINDINGS OF THE STUDY

- ✓ The Net NPA as per the records shows a declining trend.
- ✓ There is a tendency among the beneficiaries of the corporation to delay repayment of the loans and some percentage of these payments also turns into bad debts.
- ✓ The NPA and loans and advances are negatively correlated. It shows that while the amount of loan increases over the years, NPA shows a declining trend.
- ✓ The total amount of loan increased year by year, because corporation introduces variety of new loan schemes.
- ✓ KFC gives financial assistance only to financially viable and technically feasible schemes.
- ✓ NPA not only affects current financial position but also future stream of cash inflows, which heavily contributes to operating losses.
- ✓ There is a close relationship between amount of loan taken and the sufficiency of loan
- ✓ In addition to NPA, time and efforts of management is another indirect cost which KFC has to bear due to NPA.

SUGGESTIONS TO THE STUDY

- ✓ Delay in sanctioning loans leads to delayed project implementation and thereby making the unit unviable. So effective steps can be taken for speedy processing of the loan applications by avoiding unnecessary steps involved in pre sanction procedures and formalities.
- ✓ KFC should be creating a proper database of their NPA portfolio on well-designed formats to provide meaningful inferences. It would help in evolving effective strategies as well as account specific action plan for reduction in NPAs.
- ✓ Both under finance and over finance are problems leading to NPA. So the Corporation can make earnest effort to estimate correctly the loan requirement of each individual projects.
- ✓ Keep a close watch on the projects so that it is implemented as schedule without any time and cost overrun
- ✓ In addition to provide financial assistance to project, KFC may actively involve in providing other service in the implementation of projects such as assistance in getting power connection, obtaining license etc.
- ✓ KFC should make a strict rule for analyzing budget effectiveness every year. It should be fixed for each department and at the end of the year its effectiveness should be analyzed. That is there should be a proper plan and control and a comparison of output and effort should be made.

CONCLUSION

The study has been completed within the framework of the objectives of the study. Non-performing Asset has emerged since over a decade as an alarming threat to the banking industry in our country sending distressing signals on the sustainability and insurability of the affected banks. Non-performing Assets are the smoking gun threatening the very stability of Indian financial institutions. NPAs wreck the profitability both through a loss of interest income and write-off of the principal loan amount itself. So serious is the problem that reducing NPAs should be treated as a 'national priority'. NPA has affected the profitability, liquidity and competitive functioning of FIs and finally the psychology of the bankers in respect of their disposition towards credit delivery and credit expansion. The enormous provisioning of NPA together with the holding cost of such non-productive assets over the years has acted as a severe drain on the profitability of the FIs. NPA is an Unbridled Virus and an Emerging Challenge to Indian Financial System.

Kerala Financial corporation Kerala Financial Corporation is one of the premier financial institution in the State which plays a dominant role in the development of Kerala. The study was conducted for analyzing and interpreting the non-performing assets management in KFC. The study is analyses that the non-performing assets not a threat because it can solve the organization in better manner because of the efficiency of funds used. The level of NPA is decreasing trend over the years. The suggestions given are according to the annual reports of KFC.

REFERENCES

1. Annual Report of KFC (2005-2014)
2. Jacob, V. L., A Study on the Lending Policy and Recovery Performance of the Kerala Financial Corporation, Unpublished Ph.D. Thesis, CUSAT, 2002.
3. Koshi, Thomas, Role of Non-Banking Financial Institutions in the Industrial Development of Kerala, Unpublished Ph.D. Thesis, University of Kerala, 1992.
4. Kumar, S., Krishna, Strategy to Maximise Effort for Small Scale Industries' Development, M.Phil. Dissertation, University of Calicut, 1982.
5. Omprakash, K., Performance of State Financial Corporation: A Study of APSFC Unpublished Ph.D. Thesis, Karnataka University, 1990.
6. Padmakumar, K., Business Plans for KFC: Futuristic Options, M.Phil. Dissertation, University of Kerala, 1991.
7. Pavithran, K.B., Impact of Financial –Capital Institutions on the Rural Development of Kerala with Special Reference to Trichur District, Unpublished Ph.D. Thesis, University of Calicut, 1989.
8. Purohit, R. J., Bhanwar Sing, Financial Management in Rajasthan Financial Corporation, Unpublished Ph.D. Thesis, Jaipur University, 1990.

INFLUENCE OF TELEVISION ADVERTISING ON PURCHASE DECISION MAKING OF FMCG PRODUCTS**NANDAKUMAR.P****STUDENT****DEPARTMENT OF COMMERCE & MANAGEMENT****AMRITA SCHOOL OF ARTS & SCIENCES****KOCHI****MANNIL JAMES JANSON****STUDENT****DEPARTMENT OF COMMERCE & MANAGEMENT****AMRITA SCHOOL OF ARTS & SCIENCES****KOCHI****G. GOPIKA****ASST. PROFESSOR****DEPARTMENT OF COMMERCE & MANAGEMENT****AMRITA SCHOOL OF ARTS & SCIENCES****KOCHI****ABSTRACT**

With the advent of mass media, advertisements underwent drastic changes and it acquired the potential to influence the purchase decision making of prospective customers. Television with its wide popularity among the masses continues to be a desired medium of the advertisers. Moved by the wide variety of Ads promoting Fast Moving Consumer Goods, it turned out to be of topical interest to me to probe further how advertisements go into the making of buying choices. With the aid of survey conducted among sixty respondents and making use of cross tabulation and chi square test, this research paper seeks answers to a wide variety of questions pertaining the role of advertisements in the highly competitive business world today.

KEYWORDS

FMCG, TV ads, sales promotion.

INTRODUCTION

The present world scenario is depicted by varying dimensions of trade attained by liberalization, privatizations and globalization. Every business tries to be the best. So for this they rely market positioning which is influenced by the advertising of the product and the most powerful tools for the sales provision is advertisement, as it introduces new products and help in increase in the sales of existing products. A prospective or existing buyer can be helped in making proper purchase decision through effective add, that conveys the information regarding the firm, and quality and availability of the product.

TV has succeeded in revamping the age old advertising techniques by combining motion, sounds, words, color, personality and stage setting, reaching out to large and widely distributed audience. With the advent TV advertising there is a high turnover of different categories of products market everything of which FMCG occupy a vital position. With the low cost as an add on there are usually purchased as an outer come of small scale consumer decision and is heavily supported through advertising and other sales techniques opted by manufactures. Although FMCG companies like ITC, Dabur Ltd, Colgate, Palmolive (India) Ltd, are cherishing enough, Hindustan Unilever Ltd occupies the 'prima' position.

LITERATURE REVIEW

Advertisement is an attempt at creativity which influences the consumer's motive to buy a particular product and change or make the perception of the product in the mind of the consumers. Advertisement appeal act as a supplier to arouse the psychological motive of the consumer for buying. Advertisement involves rational and emotional appeals. In rational appeals the product can be emphasized mainly on its benefits and the problems which it can solve while on the other hand emotional appeal meet the consumer's psychological, emotional and social requirements (GUNJAN BAHETI, 2012).

In the present era, marketers are focusing customer rule that is customer is their first preference. To keep deep eye on customers the primary responsibility to the organization is to gain the knowledge about the customers. In this way marketers will be successful in fulfilling the needs and wants of the customers and seek the better opportunities in the market. Researchers find out that marketers need to understand these four things in order to serve their customers better. Firstly, marketers must know that customers make rational decisions so they can get the best product available in the market. Secondly customers also make irrational decisions and they are very impulsive and can be attracted towards the promotional activities. In the same way emotional association also put an influence on the mind of customers. In the last customers also buy as a problem solver, they seek the products which can solve their problem (Gupta, 2013)

A research conducted in India found that adolescents are highly attracted towards the TV commercial. Along with that teen girls also influenced by the TV commercials and they tend to buy the products which they saw in commercials. So it gives us idea that mass media has the great impact on the advertisements. Organizations are moving towards the creative content which attracts the teenage girls as well as boys to buy the products (Nidhi Kotwal, 2008).

STATEMENT OF THE PROBLEM

- To identify the Influence of Television Advertising on Purchase Decision Making of FMCG.
- To assess the influence of television advertisement on consumer behavior.
- To identify the efficiency of TV ads on purchase decision making.

OBJECTIVES OF THE STUDY

1. To perceive the degree of impact of TV ads on different categories of FMCG.
2. To appraise the purchase-decision influenced by TV ads.
3. To diagnose the other related factors affecting purchase decision other than advertising.

HYPOTHESIS

- **H0.** There is no significant relation between Influence of Television Advertising on Purchase Decision Making of FMCG.
- **H1** There is a significant relation between Influence of Television Advertising on Purchase Decision Making of FMCG

RESEARCH METHODOLOGY

SOURCES OF DATA

The study is conducted in Kochi and both primary and secondary data are used. The primary data is collected through use of a Questionnaire. The secondary data was collected directly from the websites.

SAMPLING TECHNIQUE

The sample is selected using convenience sampling method.

SAMPLING UNIT

The sample of respondents was carefully selected covering people presently located in Kochi.

SAMPLING SIZE

The selected sample size is 60

The data collected is tabulated and SPSS is used for analyzing data with the aid of cross tabs and chi-square test.

LIMITATION OF THE STUDY

- Since sample is limited to 60 respondents.
- Level of accuracy of the results of research is restricted to the accuracy level with which the respondents have given the prediction

ANALYSIS AND INTERPRETATION

This Project was undertaken to study the Influence of Television Advertising on Purchase Decision Making of FMCG. The data was collected using Questionnaire which is analyzed and presented as below.

DEMOGRAPHICAL PROFILE

1. FREQUENCY TABLE SHOWING THE GENDER OF THE RESPONDENTS

TABLE 1

GENDER			
		Count	Percentage
Valid	Male	36	60.00
	Female	24	40.00
	Total	60	100.00

Interpretation

Out of the 60 respondents there are 36 male respondents and 24 are female respondents. The percentage of male and female is 60% and 40% respectively.

2. FREQUENCY TABLE SHOWING THE AGE OF THE RESPONDENTS

TABLE 2

AGE		
	Count	Percent
Below 18 years	5	8.33%
Between 18 to 25	26	43.33%
between 25 to 35	20	33.33%
Above 35	9	15.00%
TOTAL	60	100.00

Interpretation

From the 60 respondents who participated in the survey, five were below 18 years. 26 of them were in the age group 18 to 20, 20 were between the ages 25 to 35 and 9 of them were more than 35 years old.

CROSS TABULATION

TO ANALYZE ON PURCHASE DECISION MAKING OF GENDER TOWARDS SALARY

TABLE 3

Gender * Salary Cross tabulation								
			Salary					Total
			Less than	10000-	20000-	30000-	More than	
Gender	Male	Count	10	8	6	8	4	36
		%	27.8%	22.2%	16.7%	22.2%	11.1%	100.0%
	Female	Count	0	10	8	4	2	24
		%	0.0%	41.7%	33.3%	16.7%	8.3%	100.0%
Total		Count	10	18	14	12	6	60
		%	16.7%	30.0%	23.3%	20.0%	10.0%	100.0%

Interpretation

Out of 60 respondents 36 were male and 24 were females. Out of 36 male 10 having salary less than 10000, 8 having the range between 10000 to 20000, 6 having the range between 20000 to 30000, 8 having range between 30000 to 40000 and 4 having salary more than 40000. Out of 24 female s 10 are having salary range between 10000 to 20000, 8 are having salary range between 20000 to 30000, 4 are having salary range between 30000 to 40000 and 2 is having salary more than 40000.

TO ANALYZE PRODUCT BUY UNDER THE INFLUENCE OF ADVERTISEMENT TOWARDS FACTORS THAT ATTRACT IN ADVERTISEMENT

TABLE 4

			Rank the following factors that catch your					Total
			Humour	Emotions	Fictions	Children in ads	Others	
Product preference	Electronics	Count	8	2	2	0	2	14
		%	57.1%	14.3%	14.3%	0.0%	14.3%	100.0%
	FMCG	Count	10	8	6	0	2	26
		%	38.5%	30.8%	23.1%	0.0%	7.7%	100.0%
	Garments	Count	2	2	2	0	0	6
		%	33.3%	33.3%	33.3%	0.0%	0.0%	100.0%
	Automobiles	Count	2	0	2	4	2	10
		%	20.0%	0.0%	20.0%	40.0%	20.0%	100.0%
	Others	Count	2	0	0	2	0	4
		%	50.0%	0.0%	0.0%	50.0%	0.0%	100.0%
Total		Count	24	12	12	6	6	60
		%	40.0%	20.0%	20.0%	10.0%	10.0%	100.0%

Interpretation

Out of 60 respondent 24 are attracted towards TV advertisement due to Humor, 12 are due to Emotion, 12 respondent are due to Fiction, 6 are due to Children and remaining 6 are due to other reasons. After watching TV ads out of 60 respondents 14 prefer Electronics, 26 prefer FMCG, 6 prefer Garments, 10 prefer Automobiles and remaining others prefer other products.

TO ANALYSIS THE PURPOSE BEHIND ADVERTISEMENT TOWARDS VIEWING TV ADVERTISEMENT WITH CONCENTRATION

TABLE 5

According to you what is the main purpose behind advertisements * How frequently you view the							
			How frequently you view the T.V			Total	
			Frequently	Quite often	sometimes		
According to you what is the main purpose behind advertisements	Sell product	Count	2	8	8	18	
		%	11.1%	44.4%	44.4%	100.0%	
	Inform customer	Count	2	8	12	22	
		%	9.1%	36.4%	54.5%	100.0%	
	Product value	Count	4	4	6	14	
		%	28.6%	28.6%	42.9%	100.0%	
	Reinforcement	Count	0	2	4	6	
		%	0.0%	33.3%	66.7%	100.0%	
	Total		Count	8	22	30	60
			%	13.3%	36.7%	50.0%	100.0%

Interpretation

Out of 8 respondents who watch TV ads frequently, for 2 of them the main purpose of ads is to sell the product, for 2 of them it is to inform the customer, for 4 of them it is to increase the value of product. Out of 22 respondents who watch TV ads frequently, for 8 of them the main purpose of ads is to sell the product, for 8 it is to inform the customer, for 4 it is to increase the value of the product, for 2 it is for reinforcement.

CHI SQUARE TEST

1. Whether there is any significant relation between reaction towards TV ads and product preferred?

Hypothesis

H0: There is no significant relation between reaction towards TV ads and product preferred

H1: There is significant relation between reaction towards TV ads and product preferred

A. Run the test

Relation between reaction towards TV ads and product preferred

TABLE 6

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.750 ^a	12	.638
Likelihood Ratio	11.935	12	.451
Linear-by-Linear Association	.446	1	.504
N of Valid Cases	60		

a. 17 cells (85.0%) have expected count less than 5. The minimum expected count is .67.

B. Significance

The chi-square test result shows

Chi-square value= 9.750, df= 12, p=.638

C. Accept or reject H0

The p value is greater than $\alpha=0.05$, the result is not significant.

Hence H0 accepted and H1 rejected.

D. Conclusion

It can be concluded that there is no significant relation between reaction towards TV ads and product preferred.

2. Are there any relations between type of TV ads and the parameters of product?

A) Hypothesis

H0: There is no significant relation between type of TV ads and the parameters of product

H1: There is significant relation between type of TV ads and the parameters of product

B) Run the test

Relation between type of TV ads and the parameters of product

TABLE 7

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.913 ^a	3	.822
Likelihood Ratio	.915	3	.822
Linear-by-Linear Association	.893	1	.345
N of Valid Cases	60		
a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 4.50.			

C) Significance

The chi-square test result shows,
Chi-square value = .913^a, df= 3, p=.822

D) Accept or reject H0

The p value is greater than $\alpha=0.05$, the result is not significant.
Hence H0 accepted and H1 rejected.

E) Conclusion

It can be concluded that there is no significant relation between the type of TV ads and the parameters of the product.

FINDINGS

- 60% of the respondents who participated in survey were male and the rest 40% were female.
- Salary of 30% of the respondents was in the range of Rs 10000-20000 and only 10% were in the range more than Rs 40000.
- After watching TV ads, majority of the respondents that is 43.3% were influenced to buy FMCG products followed by electronic goods. Only 10% of the respondents were influenced to buy garment products
- It is found through this survey that the main purpose of TV ads (36.7%) is to inform the customer about the product and 30% of the respondents say that another purpose of the TV ads is to sell the product.
- Majority (40%) respondents are of the view that presence of humor in the television advertisement attracts them; followed by emotions (20%) and fiction (20%)
- 13% of the respondent's view TV ads frequently and with concentration while 50% of them view to ads occasionally with concentration.

CONCLUSION

The sample size was 60. Out of the 60 respondents there are 36 male respondents and 24 female respondents. The percentage of male and female respondents is 60% and 40% respectively. Majority of the respondent's salary scale is 10000 to 20000. Chi square test was conducted to find out the following.

- Whether there is any significant relation between reaction towards TV ads and product preferred.
- Are there any relations between type of TV ads and the parameters of product.

From the above results it can be concluded that there is no significant relation between reaction towards TV ads and product preferred and there is no significant relation between type of TV ads and the parameters of product

REFERENCES

1. Beri G.C. (2008) Marketing Research 4th Edition Tata Mc-Graw Hill Company
2. GUNJAN BAHETI, D. R. (2012). THE IMPACT OF ADVERTISING APPEALS ON CUSTOMER BUYING BEHAVIOR. INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT VOLUME NO. 3, ISSUE NO. 11 (NOVEMBER).
3. Gupta, S. a. (2013). Impact of Promotional Activities on Consumer Buying Behavior: A Study of Cosmetic Industry. International Journal of Commerce, Business and Management (IJCBM), ISSN: 2319-2828 Vol. 2, No. 6.
4. Hoyer & Macinnis (2003) 'Consumer Behavior' 3rd Edition Prentice-Hall of India
5. Kothari C.R. (2008) 'Research Methodology' 2nd Edition Himalaya Publication
6. Kotler Philip (2008) 'Principle of Marketing Management' 12th Edition Prentice-Hall of India
7. Michael Solomen (2006) 'Consumer Behavior' 3rd Edition Prentice-Hall of India
8. Nidhi Kotwal, N. G. (2008). Impact of T.V Advertisements on Buying Pattern of Adolescent Girls. Kamla-Raj 2008 J. Soc. Sci., 16(1): 51-55.
9. Schiffman & Kanuk (2006) 'Consumer Behavior' 10th Edition Prentice-Hall of India

WEBSITE

10. www.indiantelevision.com

AKHILA VENUGOPAL
STUDENT
DEPARTMENT OF COMMERCE & MANAGEMENT
AMRITA SCHOOL OF ARTS & SCIENCES
AMRITA VISHWA VIDYAPEETHAM
KOCHI

CHAITHRA M
STUDENT
DEPARTMENT OF COMMERCE & MANAGEMENT
AMRITA SCHOOL OF ARTS & SCIENCES
AMRITA VISHWA VIDYAPEETHAM
KOCHI

GIRISH S
ASST. PROFESSOR
AMRITA SCHOOL OF ARTS & SCIENCES
AMRITA VISHWA VIDYAPEETHAM
KOCHI

ABSTRACT

In today's world, the uses of mobile phones have become much popular in all sectors of the economy. The rapid acceptance of mobile phones results in the adoption of this technology very quickly. Consumer preference plays a major role in today's business world. Marketing through mobile advertising is one of the major modes of interactive technology to market and promote their products and services. Marketing activities led by means of mobile devices empower sponsors to straightforwardly speak with potential clients in a quick speed furthermore, notwithstanding the topographical area. Mobile advertising has been recently referred as one of the best means to cut through the mess and associate specifically with the customer. Indian mobile market is one of the quickest developing markets because of the expansion in the number of middle income consumers and is forecasted to achieve a great many clients in the following decade. In this manner, research on mobile advertising would affect significantly in transit business is finished This study aims to present results of a survey among 150 cellular phone users in the State of Kerala on consumer attitude towards advertising via mobile devices. The research summarized in this paper researched consumer attitudes and usage behaviour in respect to mobile advertising.

KEYWORDS

mobile advertising, consumer's attitude, irritation, consumer behaviour, A2P, P2P.

1. INTRODUCTION

In regular live, gadgets and frameworks in view of versatile innovations have turned into a typical in most industrialized nations. Their significance is evident to every one of us. The fast selection procedure of mobile phones demonstrates that substantial parts of the population have acknowledged this innovation rapidly. Fast improvements in versatile method for correspondence have brought out new correspondence channels for advertisers to achieve their clients. Especially young generation utilizes cellular telephones as a multipurpose method for correspondence by accepting and sending instant messages, design, information, music, video and so forth. These expressed components of cell telephones make cellular telephones a standout amongst the most imperative method for correspondence with target bunches in wherever and whenever. In correspondence by method for portable notices sent relying upon the purchaser data, availability, recurrence and pace are expanded.

The development of mobile advertising has opened another region for exploration. It is particularly critical to know how consumers feel about the promotions conveyed to their cellular telephones. A better understanding of this issue is basic to the viable utilization of mobile advertising. This study expects to add to this target and introduces consequences of an overview among 150 mobile phone users in Kerala on consumer attitude towards advertising by means of cell phones (publicizing through cell phones). The exploration abridged in this paper explored purchaser states of mind and use conduct in appreciation to mobile advertising.

2. LITERATURE REVIEW

VARIOUS MODES OF ADVERTISING

2.1 SMS

The main type of mobile advertising was short message promoting sent to the cell telephones of excited consumers decided before with a specific end goal to take an interest in mobile advertising campaigns. Advertising through cell phones' SMS (Short Message Service) turned out to be progressively prevalent when organizations began to gather cellular telephone numbers and send off needed (or undesirable) content. Huge masses are come to by SMS advertising. As in each new application put into practice, there is a need to direct procedures toward business sector responses and desires in SMS advertising too. Deciding attitudes and opinions of buyers will be useful to utilize this limited time device more successfully. Short message ads are limited as far as innovativeness since just instant messages up to 160 characters can be sent through short messages. Alongside this, short message advertising is connected for the most part through cellular telephones. Short messaging services have gained great popularity in interpersonal correspondence since it gives message exchange to clients of any age bunch in their social and business relations.

2.2 MMS

In the next years, particularly multimedia messaging services (MMS) were utilized during mobile campaigns. Multimedia message advertisements are comprised of drawings and audio clips and they can pass on more inventive and viable messages. About every single new telephone delivered with a shading screen are equipped for sending and accepting standard MMS message. Brands can both send (mobile terminated) and get (mobile originated) rich substance through MMS

A2P (application-to-individual) mobile networks to mobile subscribers. In some networks, brands are likewise ready to support messages that are sent P2P (individual to-individual). Great illustrations of versatile began MMS showcasing effort are Motorola's campaign, where the brand permits the buyer to send their portable photographs to the LED load up progressively and also blog their pictures on the web.

2.3 SOCIAL MEDIA

Social media advertising, likewise social media focusing on is a group of terms that are utilized to depict types of online advertising that emphasis on long range social networking services. One of the real advantages of this sort of advertising is that promoters can exploit the clients' demographic data and focus on their advertisements appropriately. Social media advertising focusing on current targeting options (like geotargeting, behavioural targeting, socio-psychographic targeting, and so on.), to make detailed target group identification possible. With social media advertising, promotions are circulated to clients in light of data assembled from target group profiles. Popular social media sites, Facebook, Twitter, and YouTube, offer diverse approaches to publicize brands. Facebook gives advertisers option, for example, advanced posts, supported stories, page post promotions, Facebook object (like) advertisements, and external website (standard) promotions. To publicize on Twitter there are promoter tweets, trends and advanced records that appear on client's newsfeeds. For publicizing on YouTube there are marked channels, advanced recordings, an in video promoting.

2.4 CALL

Although numerous potential and existing clients consider telephone calls from advertisers to be intrusive and irritating, almost each business association around the globe utilizes call focus promoting as a result of its various advantages. It can be utilized by the organization for advancing items and administrations, giving client administrations, leading investigate, getting criticism and significantly more. Organizations use client relationship administration devices to monitor calls they have made and gotten, and in addition data about their clients' purchasing examples and foundation data. They can utilize this information to give customised prompts, which are planned by call focus promoting experts.

3. SCOPE OF THE STUDY

The popularity of mobile advertisements is growing in all over the world, and it is consequently relevant for advertisers to consider this new type of marketing. This is a present worry of business sector exploration of numerous organizations. Although numerous examination concentrates on have been directed around the world to look at consumer attitude towards a product or services, there has been deficient research on consumer attitude towards mobile advertising, particularly in Kerala. This examination study goes for exploring the behavioural expectations of consumers towards mobile advertisement in Kerala, India. This is huge as there has very few comparable studies on this recorded of advertising. The discoveries give better experiences to organizations on the best way to utilize mobile phones as one of the effective devices to showcase their items.

4. OBJECTIVES

1. To study the effect of attitude toward mobile advertising on consumer intentions to receive mobile ads.
2. To study the effect of consumers intentions to receive mobile ads on their behaviour after receiving mobile ads.

5. METHODOLOGY

The study is based on both primary and secondary data. Primary data will be collected using questionnaire method and secondary data from various journals, web sites.

6. ANALYSIS AND INTERPRETATION

Out of the 150 samples, 50% are men and 50% are women. 45% of the respondents belong to the age group 21 years to 35 years, 13% belong to the group of below 20 years, 30% belong to 36 years to 50 years and rest of the respondents are of the age group of above 50 years. The analysis was done with the help of using SPSS tools.

6.1 TO ANALYSE THE WILLINGNESS TO RECEIVE MOBILE ADVERTISEMENTS

CASE PROCESSING SUMMARY

TABLE 1

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Willing to receive adv * if yes then	43	28.7%	107	71.3%	150	100%

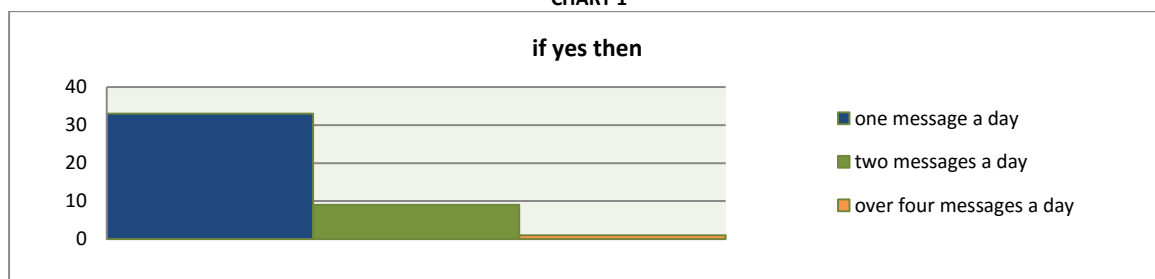
WILLING TO RECEIVE ADV * IF YES THEN CROSS TABULATION

TABLE 2

		If yes then			Total
		One message a day	Two messages a day	Over four messages a day	
Willing to receive adv	Count	33	9	1	43
	% within willing to receive adv	76.7%	20.9%	2.3%	100%
	% within if yes then	100%	100%	100%	100%
	% of total	76.7%	20.9%	2.3%	100%
Total	Count	33	9	1	43
	% within willing to receive adv	76.7%	20.9%	2.3%	100%
	% within if yes then	100%	100%	100%	100%
	% of total	76.7%	20.9%	2.3%	100%

6.1 CHART SHOWING THE NUMBER OF ADVERTISEMENTS THE RESPONDENTS ARE WILLING TO RECEIVE

CHART 1



Out of the 150 respondents only 43 are willing to receive mobile advertisements. Out of the rest, 33 are willing to receive one message a day, 9 are willing to receive two messages a day and only 1 are willing to receive over four messages a day as they think that the information provided through mobile advertisements are less reliable.

6.2 TO ANALYSE THE BEHAVIOUR OF THE RESPONDENTS WHILE RECEIVING THE MOBILE ADVERTISEMENTS
CASE PROCESSING ANALYSIS

TABLE 3

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Willing to receive adv * if yes then	150	100%	0	0	150	100%

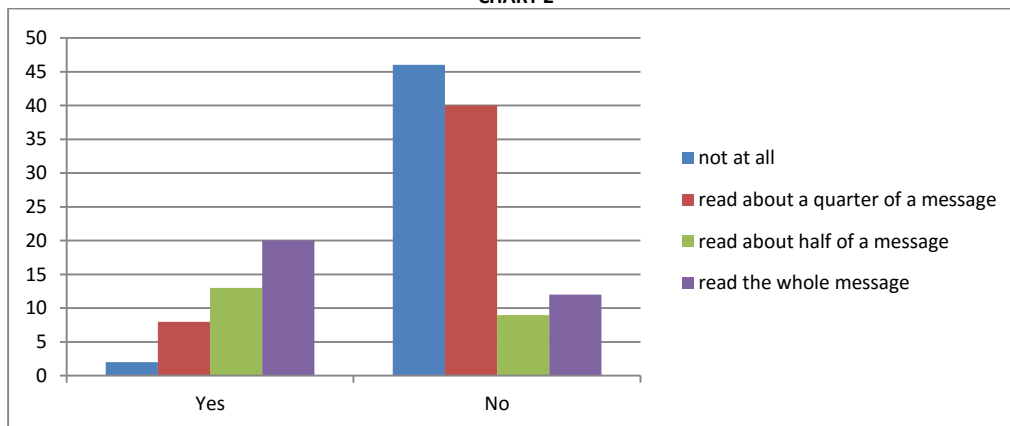
WILLING TO RECEIVE ADV * READ CROSS TABULATION

TABLE 4

			Read				Total
			Not at all	Read about a quarter of a message	Read about half of a message	Read the whole message	
Willing to receive adv	Yes	count	2	8	13	20	43
		% within willing to receive adv	4.7%	18.6%	30.2%	46.5%	100%
		% within read	4.2%	16.7%	59.1%	62.5%	28.7%
		% of total	1.3%	5.3%	8.7%	13.3%	28.7%
	No	count	46	40	9	12	107
		% within willing to receive adv	43%	37.4%	8.4%	11.2%	100%
		% within read	95.8%	83.3%	40.9%	37.5%	71.3%
		% of total	30.7%	26.7%	6%	8%	71.3%
Total	Count	48	48	22	32	150	
	% within willing to receive adv	32%	32%	14.7%	21.3%	100%	
	% within read	100%	100%	100%	100%	100%	
	% of total count	32%	32%	14.7%	21.3%	100%	

6.2 CHART SHOWING THE BEHAVIOUR OF THE RESPONDENTS

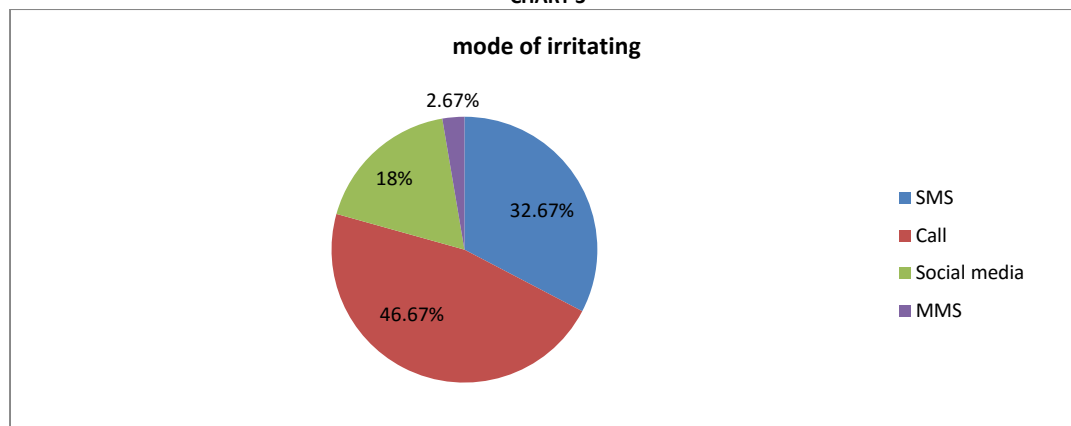
CHART 2



Out of the respondents, 48 won't read the messages at all, 48 read about a quarter of a message, 22 read half of the message and 32 will read the whole message. 46 of the 48 respondents who won't read the message at all are of the group who not willing to receive the mobile advertisements as they think that the credibility and Informativeness is low in case of mobile advertisements.

6.3 TO ANALYSE THE MOST IRRITATING MODE OF RECEIVING MOBILE ADVERTISEMENTS

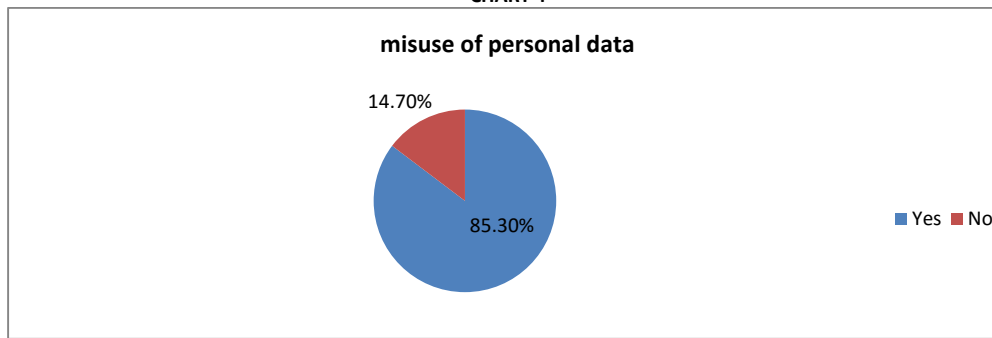
CHART 3



Majority of the respondents feel that advertisements via call are the most irritating mode of receiving mobile advertisements. The other modes are considered less irritating as those can be ignored more easily when compared to calls

6.4 TO ANALYSE THE RISK OF PERSONAL DATA BEING MISUSED

CHART 4



85.3% of the total respondents feel that there is a risk of personal data being misused when using mobile marketing service as the marketers use their personal contact details for marketing which cannot be entertained by the mobile users.

7. FINDINGS AND RECOMMENDATIONS

1. Out of the 150 respondents only 43 are willing to receive mobile advertisements which mean that the customers have low intention towards receiving mobile advertisements.
2. Most of the respondents do not read the whole message that they receive through mobile marketing services which shows that the customers have low credibility or mobile advertisements.
3. Majority of the respondents feel that mobile advertising via call is the most irritating mode of receiving advertisements.
4. A large percentage of the total respondents feel that there is a risk of personal data being misused when using mobile marketing service.
5. The study found that the customers have low overall attitude and high irritation towards mobile advertisements.
6. The consumers' attitude toward mobile advertisements might be favourable if advertisements are sent only to those customers from whom prior permission is obtained.
7. The marketers could use techniques to make advertisements more playful and creative which may attract the customers' attention.

8. CONCLUSION

The study examines about consumer attitude on receiving mobile advertisements based on entertainment, informativeness and irritation. The discoveries express that the overall attitude is unfavourable which is since the three traits entertainment, informativeness and credibility which impact the attitude are likewise unfavourable and irritation, another variable is high among the customers. This might be on account of the advertisements got on mobile advertisements were irritating, given the individual, personal nature of mobile phones. Attitude is likewise impacts consumers' intention to get mobile advertisements. At long last expectation impact the behaviour on accepting mobile advertisements, that is how much and when do the buyers read the mobile advertisements. In this manner it is not a smart thought to send advertisements through mobile to consumers.

REFERENCES

1. Aaker, D. A., Kumar, U. and Day, G.S. (1995). Marketing research (5th ed.). New York: John Wiley
2. Altuna, O. K. and Konuk, F. A. (2009). Understanding Consumer Attitudes Toward Mobile Advertising And Its Impact On Consumers' Behavioral Intentions: A Cross-Market Comparison Of United States And Turkish Consumers. *International Journal of Mobile Marketing*, 4(2), 43-51.
3. Friedrich, R., Grone, F., Holbling, K. & Peterson, M. (2009). The March of Mobile Marketing: New Chances for Consumer Companies, New Opportunities for Mobile Operators. *Journal of Advertising Research*, 49(1), 54-61.
4. Thurner, R. (2008). Adding mobile to the marketing mix. *Journal of Telecommunication Management*, 1(2), 122-124.

IMPACT OF BRAND AWARENESS ON CONSUMER/BRAND LOYALTY: A STUDY OF PACKAGED MILK BRANDS IN SURAT CITY, GUJARAT

DR. REENA CHHAJED
PRESTIGE TOWER, FLAT NO. 603, NEAR TATA MOTORS
CHALA

ABSTRACT

The aim of this research is to identify the impact of brand awareness on consumer's/brand loyalty. Questionnaires were distributed to collect the responses from the employees in services sectors and conveniently available general public while descriptive statistics and regression analysis were used to analyze the data and draw the conclusions. Brand Awareness and brand loyalty have strong positive association with purchase intention. Managers all over the world should strive to promote the brand awareness along with brand loyalty as both of them contribute towards positive purchase intentions.

KEYWORDS

brand awareness, brand loyalty, purchase intentions.

INTRODUCTION

In recent times consumers choose their favorable and familiar brands due to the rise in their consciousness. Consequently, the businesses in order to compete with others must create love for their brands in the minds of consumers. To understand this research better lets, understand the terms brand loyalty and brand awareness.

BRAND LOYALTY

Brand loyalty is defined as positive feelings towards a brand and dedication to purchase the same product or service repeatedly now and in the future from the same brand, regardless of a competitor's actions or changes in the environment. It can also be demonstrated with other behaviors such as positive word of mouth advocacy. Brand loyalty is where an individual buys products from the same manufacturer repeatedly rather than from other suppliers. Businesses whose value rests in a large part on their brand loyalty are said to use the loyalty business model.

A brand is seen as an idea or concept, not a product. This concept of a brand displays imagery and symbolism for a product or range of products. Brands can have the power to engage consumers and make them feel emotionally attached. Consumer's beliefs and attitudes make up brand images, and these affect how they will view brands they come into contact with¹. Brand experience occurs when consumers shop for or search for, and consumer products. Holistic experiences such as sense, relation, acting and feeling occur when one comes into contact with brands. The stronger and more relational these senses are to the individual, the more for likely repeat purchase behaviour will occur. After contact has been made, psychological reasoning will occur, followed by a buy or not-buy decision. This can result in repeat purchase behaviour, thus incurring the beginning of brand loyalty. Brand loyalty is not limited to repeat purchase behaviour, as there is deeper psychological reasoning as to why an individual will continuously re-purchase products from one brand. Brand loyalty can be shortly defined as the 'behavioural willingness to consistently maintain relations with a particular brand'. In a survey of nearly 200 senior marketing managers, 68 percent responded that they found the "loyalty" metric very useful.

True brand loyalty occurs when consumers are willing to pay higher prices for a certain brand, go out of their way for the brand, or think highly of it.

FACTORS INFLUENCING BRAND LOYALTY

Looking in more detail at the major factors that influence consumers' loyalty - not only to retailers but also to suppliers in all sectors, including business to business (B2B) - the six key areas of focus identified in the report can be summarised as follows:

1. CORE OFFERING

The companies that boast the highest levels of fiercely loyal customers have built that loyalty not on card programmes or gimmicks, but on a solid, dependable, core offering that appeals to their customers. These companies have focused intently on what they know appeals to the type of customers they want to attract, and have determinedly concentrated on delivering what is expected every time. North American retailer, Nordstrom (www.nordstrom.com), is well known for the loyalty of its customers. It built this loyalty by understanding what its customers wanted and then empowering its employees to deliver those needs consistently. Clearly, the data from a good loyalty programme should help the operator to improve this core offering by tailoring and moulding it more closely to the customers' needs and desires.

Elements of the core offering that have a large role in building customer loyalty include:

Location and premises

Location and premises clearly play a part in engendering loyalty. The Three L's of retail - "location, location and location" - are undoubtedly important, and attractive and functional premises are equally so.

Service

Whether selling services or products, the level of service perceived by the customer is generally key to generating loyalty. It can be argued that some customers buy only on price, so all that is necessary to retain their loyalty is consistently low prices. To certain extent that is true. But in most cases, any loyalty shown will be only to the prices instead of the business. Should a competitor offer even lower prices, those customers are likely to defect. Companies that have adopted a policy of everyday low prices (EDLP) can be more vulnerable to competition than those who have built their customers' loyalty on superior products or service.

The product or service

The products or services offered must be what customers want. The days when businesses could decide what they wanted to sell or supply, and customers would buy it, are long past. The customers' needs and wants are now paramount. If you don't meet them, someone else will.

2. SATISFACTION

Clearly, satisfaction is important; indeed, essential. But, taken in isolation, the level of satisfaction is not a good measure of loyalty. Many auto manufacturers claim satisfaction levels higher than 90%, yet few have repurchase levels of even half that. The situation is stacked against the business: if customer satisfaction levels are low, there will be very little loyalty. However, customer satisfaction levels can be quite high without a corresponding level of loyalty. Customers have come to expect satisfaction as part and parcel of the general deal, and the fact that they are satisfied doesn't prevent them from defecting in droves to a competitor who offers something extra.

The point is that, while high levels of customer satisfaction are needed in order to develop loyal customers, the measure of customer satisfaction is not a good measure of the level of loyalty. The two are not measuring the same thing.

3. ELASTICITY LEVEL

Elasticity expresses the importance and weight of a purchasing decision - effectively the level of involvement or indifference. This applies to both the customer and the business.

○ **Involvement**

The customer's involvement in the category is important: the more important your product or service is to the customer, the more trouble they have probably

taken in their decision to do business with you, and the more likely they are to stick with what they have decided. Most customers would be highly involved in the category when choosing a new car, a new jacket, or a bottle of wine. However, when choosing a new pair of shoelaces, involvement is not usually high. Businesses dealing in commoditized products and services cannot expect high involvement and need to earn loyalty in other ways.

○ **Ambivalence**

The customer's level of ambivalence is also important. Few decisions are clear cut. There are usually advantages and disadvantages to be balanced, and vacillation is unstable. Again, we see that the more commoditized a product or service, the more difficult it is to cultivate loyalty. It is only when points of differentiation are introduced that the customer has a valid reason for consistently preferring one particular supplier.

4. **THE MARKETPLACE**

The marketplace is a key factor in the development of loyalty. The elements most closely involved are:

○ **Opportunity to switch**

If the number of competing suppliers is high and little effort is required to switch, switching is clearly more likely. Conversely, the more time and effort invested in the relationship, the more unlikely switching becomes. The level and quality of competition has a significant effect on how easy it is for a customer to switch from any one particular supplier. When competitors are offering very similar products at similar prices, with similar levels of service, some means of useful differentiation has to be found in order to give customers a reason to be loyal.

○ **Inertia loyalty**

This is the opposite of ease of switching. Most banks enjoy a high level of inertia loyalty simply because it's often so difficult and time-consuming to change to a new bank and transfer direct debits and standing orders.

5. **DEMOGRAPHICS**

According to Jan Hofmeyr and Butch Rice, developers of The Conversion Model (which enables users to segment customers not only by their commitment to staying with a brand but also to segment non-users by their openness to switching to the brand), more affluent and better educated customers are less likely to be committed to a specific brand. They say that the commitment of less affluent consumers to the brands they use is often unusually strong - possibly because they cannot afford to take the risk of trying a brand that might not suit them as well. They also suggest that younger consumers are less committed to brands than older consumers.

Interestingly, these differences carry over into cultural groups as well: they find that French-speaking Canadians are more likely to be committed to a brand than English-speaking Canadians, and Afrikaans-speaking South Africans are more likely to be committed than English-speaking South Africans. In their excellent book, Commitment-Led Marketing, they show how commitment norms for the most frequently used brand of beer vary from country to country. At the two extremes we see both Australia and the UK (58%) and South Africa at 83% - a considerable difference.

6. **SHARE OF WALLET**

As markets become saturated and customers have so much more to choose from, share of wallet becomes increasingly important. It is cheaper and more profitable to increase your share of what the customer spends in your sector, than to acquire new customers. After all, that's what loyalty is really about. Totally loyal customers would give you a 100% share of their spend in your sector.

BRAND AWARENESS

Brand awareness is the extent to which a brand is recognized by potential customers, and is correctly associated with a particular product. Expressed usually as a percentage of the target market, brand awareness is the primary goal of advertising in the early months or years of a product's introduction.

Brand awareness is related to the functions of brand identities in consumers' memory and can be reflected by how well the consumers can identify the brand under various conditions. Brand awareness includes brand recognition and brand recall performance. Brand recognition refers to the ability of the consumers to correctly differentiate the brand they previously have been exposed to. This does not necessarily require that the consumers identify the brand name. Instead, it often means that consumers can respond to a certain brand after viewing its visual packaging images. Brand recall refers to the ability of the consumers to correctly generate and retrieve the brand in their memory.

A brand name that is well known to the great majority of households is also called a **household name**.

Brand awareness plays a huge part in the success of brands. There are many different ways to market a brand in order for it to display a certain image in the minds of consumers. It can be a logo, a name, a colour etc. that links itself to a brand in the mind of the consumer. Brand awareness and recognition is a step for marketers in communications as it affects the consumer choices that are made when it comes to the point of purchasing. A brand that is more well-known than others is more likely to be chosen for purchase over a brand where little is known about them.

Consumers are less likely to purchase from a brand they don't recognise or hardly recognize as it can be perceived as a risk for them and consumers do not typically like risks, as it means they could potentially waste their money.

Brand awareness can be separated into two different categories, brand recall and brand recognition. These can be indicated by multiple measures such as if the customer is familiar with the brand, knows the brand, and knows the characteristics of the brand. To be specific, the recall is the recollection the customer has of the brand; whereas recognition is the previous experiences the consumer has with the brand that enables them to distinguish it from others. Brand recognition is emphasized more rather than brand recall as the potential customers rely on information from others and the experience that they have had with this particular brand in their decision making factor, in other words "brand awareness acts as a certification. As a result, consumers' purchase decisions depend on whether they have seen or heard of the brand."

The significance of brand awareness is that consumers include it in their decision making process when purchasing then evaluating the product. A famous brand versus an unknown brand has a higher chance of being picked off the shelf due to the recognition the customer has towards it as it can increase their positive evaluation on the good and reduce the risks involved in trying a new product that the consumer is not confident in buying, thus meaning the brand with the higher awareness can strengthen their customer loyalty as the customer will continue to purchase the brand they know and love. This then means the well-recognized brand can afford to have a higher price compared to their competition as customers have a higher confidence in purchasing it and would rather pay more for a brand that has a higher awareness compared to the alternative. An influential aspect that increases brand awareness is celebrity aided brand recall, as "The effect of celebrity endorsement is high when the celebrity image and product fit is achieved." A study indicated that the impact that celebrity endorsement has on the future profits of the brand is positive, which recommends that the brand use some form of celebrity endorsement to increase brand awareness. This influences the awareness, as these leaders perceive a believable with an honest opinion, and are seen as influential leaders in the community.

OBJECTIVES

The main objectives of this study are:

1. To study the impact of brand awareness on consumer/brand loyalty.
2. To study brand awareness of packaged milk brands and analyze brand loyalty in surat city, Gujarat state of India.
3. To study the impact of brand loyalty on consumer purchasing behavior.

METHODOLOGY

Data collection is done from primary and secondary source.

The primary sources of data are:

- Questionnaire

The secondary sources of data are:

- Published journals

- o Research articles
- o Websites

SAMPLE DESIGN

Since the objective of the study is to find out the brand loyalty of milk among consumers in Surat, Gujarat, the researcher has adopted convenient sampling technique for data collection. The researcher has taken a sample of 100 respondents from different areas of surat city. For the present study the researcher selects all brands of Surat City.

ANALYSIS OF THE STUDY

This part analyzes the brand loyalty of milk of Surat District in various aspects.

1.1 AGE OF THE RESPONDENTS

The age is one of the important demographic characteristic of the respondents which influence their brand loyalty and their consumption pattern. Age wise distribution of respondents is shown in table:

TABLE NO. 1.1: AGE WISE DISTRIBUTION OF RESPONDENTS

Sr. no	Age of the Respondents(in years)	No. of Respondents	Percentage (%)
1	Below 20	14	14%
2	20-30	48	48%
3	30-40	25	25%
4	40-50	12	12%
5	Above 50	11	11%
6	Total	100	100.00

Source: Researcher’s manual calculation

Table no. 1.1 shows that, among the 100 respondents, 14(14%) respondents are in the age group of below 20 years, 48(48%) respondents are in age group of 20-30 years, 25 respondents (25%) are in age group of 30-40 years, 12 respondents (12%) are in age group of 40-50 years and only 11 respondents (11%) are in age group of above 50 years. Hence, we can conclude on the basis of table that majority of respondents are belongs to 20-30 age group.

1.2 GENDER OF THE RESPONDENT

Gender is an important demographic and social factor which influence the consumer’s behavior, their brand awareness and brand loyalty. Usage of both men and women are different from each other. The distribution of respondents is given below:

TABLE NO. 1.2: GENDER WISE DISTRIBUTION OF RESPONDENTS

Sr. no.	Gender	No. of Respondents	Percentage (%)
1	Male	40	40%
2	Female	60	60%
3	Total	100	100%

Source: Researcher’s manual calculation

From the table no. 1.2, it can be inferred that among the 100 respondents, 40 respondents (40%) are male and 60 respondents (60%) are female. Hence, it can be concluded that majority of respondents are females.

1.3 MARITAL STATUS OF RESPONDENTS

Marital status of respondents is also an important factor which influences the brand loyalty. The distribution on the basis of marital status is shown in table.

TABLE NO. 1.3: MARITAL STATUS WISE DISTRIBUTION OF RESPONDENTS

Sr. no.	Marital status	No. of Respondents	Percentage(%)
1	Married	44	44%
2	Unmarried	56	56%
3	Total	100	100%

Source: Researcher’s manual calculation

Table shows that among 100 respondents, 44 respondents (44%) are married Whereas 56 respondents (56%) are unmarried. Hence, it can be concluded that majority of respondents are unmarried.

1.4 EDUCATION STATUS OF RESPONDENTS:

Education level of respondents represents the awareness level of respondents about the marketing environment. the education wise distribution of respondents is shown in table.

TABLE NO. 1.4: EDUCATION WISE DISTRIBUTION OF RESPONDENTS

Sr.no.	Educational qualification	No. of respondents	Percentage(%)
1	12	44	44%
2	Graduation	40	40%
3	Post-graduation	11	11%
4	Diploma	5	5%
5	Other	0	0%
6	Total	100	100%

Source: Researcher’s manual calculation

Table no. 1.4 shows that among the 100 respondents, 44 respondents (44%) have education qualification of 12th standard, while 40 respondents (40%) are qualified with graduate degree, whereas 11 respondents (11%) are qualified with post graduate degree and 5 respondents (5%) are qualified with a diploma. Hence it can be concluded from that the majority of respondents are qualified up to 12th standard.

1.5 FAVORITE BRANDS OF RESPONDENTS

Although various brands of packed milk are available in the study area, the table shows the favorite brand of respondents.

TABLE NO. 1.5: FAVORITE BRAND OF RESPONDENTS

Sr no.	Favorite brand	No. of Respondents	Percentage (%)
1.	Amul	71	71%
2.	Nestle	11	11%
3.	Mother diary	4	4%
4.	Tru	4	4%
5.	Danone	2	2%
6.	Dudhsagar	4	4%
7.	Kwality	2	2%
8.	Shreeji	1	1%
9.	Dynamix	0	0%
10.	Any other	1	1%
11.	Total	100	100%

Source: Researcher’s manual calculation

Table no. 1.5 shows that among the 100 respondents, Amul is the favorite brand of 71 respondents(71%); Nestle is the favorite brand of 11 respondents(11%); mother dairy is the favorite brand of 4 respondents(4%); Tru is the favorite brand of 4 respondents(4%); Danone is the favorite brand of 2 respondents(2%); Dudhsagar best is the favorite brand of 4 respondents(4%); kwality is the favorite brand of 2 respondents(2%); Shreeji is the favorite brand of 1 respondent (1%) but Dynamix is not the favorite brand of any respondents and Any other is the favorite brand of 1 respondents. Hence, it can be concluded that majority of respondents’ preferred Amul brand as their favorite brand.

1.6 SOURCE OF INFORMATION ABOUT PACKAGED MILK

Source of information about packed milk shows the awareness level of respondents about the different media of marketing communication adopted by the producers of branded packed milk. The table shows the different source of information from which the respondents get information about branded packed milk.

TABLE NO. 1.6: SOURCE OF INFORMATION ABOUT PACKAGED MILK

Sr. no	Source of information	No. of Respondents	Percentage (%)
1	Family members	33	33%
2	TV ads	46	46%
3	Newspaper	6	5%
4	Peers	5	6%
5	Others	10	10%
6	Total	100	100%

Source: Researcher’s manual calculation

Table no. 1.6, shows that among the 100 respondents, 33 respondents (33%) have heard about branded packed milk from their family member, 46 respondents (46%) heard about branded packed milk from TV ads,5 respondents (5%) heard about branded packed milk from their peers,6 respondents (6%) heard about branded packed milk from newspaper and 10 respondents (10%) heard about branded packed milk from any other source. Hence, it can be concluded that majority of respondents heard about branded packed milk from TV ads.

1.7 REASONS FOR USING BRANDED PACKED MILK OVER NON-BRANDED PACKED MILK

The consumers prefer a particular brand of packed milk for many reasons such as quality, price, availability and hygiene related factors. The marketer must have analysis the reason for preferring a particular brand which helps the marketer in taking various strategic decisions. The below table shows the reasons of using a particular brand.

TABLE NO. 1.7: REASONS FOR CHOOSING THE BRANDED PACKED MILK OVER NON-BRANDED MILK

Sr. no.	Reason	No. of Respondents	Percentage(%)
1	Price	4	4%
2	Quality	62	26%
3	Hygiene related factors	11	11%
4	Easy availability	20	20%
5	Other factors	1	1%
6	Total	100	100%

Source: Researcher’s manual calculation

Table shows that among the 100 respondents, 4 respondents (4%) choose the branded milk over non-branded milk due to price, 62 respondents (62%) choose branded milk over non-branded milk due to the quality of milk products, 11 respondents (11%) choose branded milk over no-branded milk due to the hygiene related factors of branded milk, 20 respondents (20%) choose branded milk over no-branded milk due to the easy availability and only 1 respondents (1%) choose branded milk over non branded milk due to the other factors. Hence it can be concluded that majority of respondents choose branded milk over non-branded milk due to the quality.

1.8 FACTORS INFLUENCING THE BRAND LOYALTY OF RESPONDENTS (WITH WEIGHTED AVERAGE SCORE)

The purchase decision of consumers is influenced by various factors like quality, availability, advertising, taste, hygiene factors, advertising and reliability. These factors are shown below:

TABLE NO. 1.8: FACTORS AFFECTING BRAND LOYALTY OF BRANDED PACKED MILK

Sr. no.	Factors affecting loyalty	Total score	Weighted average
1	Full and Accurate information	363	3.63
2	Satisfactory Quality	400	4.00
3	Fulfill Health related standards	230	2.30
4	Freshness and hygiene	337	3.37
5	Good admissible life	310	3.10
6	Good taste of milk	383	3.83
7	Reliability	385	3.85
8	Easy availability	421	4.21
9	Overall Satisfaction	374	3.74
10	Liked by family members	327	3.27
11	Reasonable price	363	3.63
12	Good Indoor delivery	343	3.43

Source: Researcher’s manual calculation

The table shows the weighted average score of the various factors influencing brand loyalty of respondents. It is clear from the table that the highest weighted average score which has been attained by easy availability of the milk with the total score 421. The second highest WAS (4.00) has been attained by the quality of the packed milk brand which obtained total score 400. The third highest WAS (3.85) has been attained by reliability of the packed milk brand with total score of 385. Fourth highest WAS (3.83) has been attained by taste of packed milk brand with total score 383; fifth WAS (3.74) has been attained by satisfaction level of packed milk with total score 374, sixth highest WAS (3.63) has been attained by the reasonable price of packed milk products with total score 363, seventh highest WAS (3.60) has been attained by the accurate information available about packed milk with total score 360, eighth highest WAS (3.43) has been attained by Indore delivery of packed milk with the total score 343. Ninth highest WAS (3.37) has been attained by freshness and hygiene factor with 337 total score, tenth highest WAS (3.27) has been attained by liked by family members with a total of 327, eleventh highest WAS (3.10) has been attained by admissible life of packed milk with 310 total score and last highest WAS (2.30) has been attained by health related standard factor with a total 230. Hence, it can be concluded from the table that highest weighted average score has been attained by the easy availability and quality of milk and last highest weighted average score has been attained by the fulfill health related standard of milk. Hence, it can be concluded that brand loyalty of respondents is highly affected by easy availability and quality and least affected by health related factors.

FINDINGS OF THE STUDY

4. It is found that in age wise distribution of respondents, Majority of respondents (48%) belong to the age group of 20-30 years.
5. Majority of respondents (60%) are female in gender wise distribution of respondents.
6. Majority of respondents (56%) are unmarried in marital status distribution.
7. Majority of respondents (44%) are qualified up to 12th standard in education wise distribution.
8. Although different brands of packed milk are available in the market but it is found that majority of respondents (71%) preferred Amul brand as their favorite brand and repurchase Amul packed milk everyday (brand loyalty).
9. Majority of respondents (46%) heard about branded packed milk from TV ads.
10. Majority of respondents (62%) choose branded milk over non-branded milk due to the quality of the products.
11. Among the various factors, respondents gave first rank to easily availability and second to the quality of the packed milk and last rank to the health related standard. So brand loyalty of respondents is most influenced by easy availability and quality and least influenced by health related factors.

SUGGESTIONS

This study deals with the brand loyalty of packed milk among consumers of Surat city. After grasped up various factors and aspects, some relevant suggestions to solve the problem are provided here:

- Some respondents opined that the price of branded milk products is not reasonable, it suggested to the companies which produces the branded milk, that they should maintain reasonable price for their brand, it will certainly induce the new customers who belongs to middle and lower classes.
- Majority of respondents opined that although the different brands are easily available but Indoor delivery of branded milk is not satisfactory. Researcher suggests that manufacturer should adopt new and effective measures to distribute their brand to every area of the city.
- Majority of respondents also opined that durability or admissible life of branded milk is not so much satisfactory, in such case manufacturer should adopt effective measure to improve the life of the branded milk.
- Majority of respondents also opined that branded milk products don't match their health related standards. The researcher suggests to the producers that the ingredients of branded milk products should be healthy for the consumers.
- Majority of respondents also opined that the branded packed milk is not fresh and hygienic. The researcher suggests that freshness and hygiene factors of branded milk products should be improved and modified according to the needs of the consumers.

CONCLUSION

The purpose of the study is to assess the brand loyalty of customers towards packed milk and to study the factors affecting their brand loyalty. On the basis of analysis and interpretation, we can conclude that majority of respondents purchase branded milk because of easy availability, taste, quality and reliability of the products, these are the factors which influence their brand loyalty but they are not satisfied with the admissible life, hygiene factors and health related standard of the

branded packed milk. Competitions is also available in market for every brand, so branded milk like Amul, Mother dairy, nestle etc. should maintain its quality, taste, easily availability, freshness, convenience etc. Various milk brand need to correct its pricing strategy by compared with other milk brand. Now every brand facing tremendous competition from other brand of milk, in order to sustain in the market by giving better service, a company should always try to find out the satisfaction level of customers and should take all necessary steps and measures to retain the customers. In order to maintain the brand loyalty a company needs to strengthen their unique strategies. Consumer's orientated thinking helps the marketer to define consumer need from the customer's point view. At present the market of Amul brand is good and if efforts have been taken to maintain the same level, it assumed that, definitely it has a good and assured market.

REFERENCES

1. Aaker, D.A. & Day, G.S. (1991). "Marketing Research", 4th Ed. New York: Wiley cop.
2. Acharaya B.K. (1985). "Marketing and Sale Management". Himalaya Publication House, Mumbai.
3. Akbay C. & Tiryaki G. (Yildiz) (2008). "Unpacked and packed fluid milk consumption patterns". *Agricultural Economics*, 38, 9 -20.
4. Aluregowda (2013). "A study on brand image towards Nadini products at Manmul in Mandya". *International Journal of Engineering and Management Research*, 3, Issue 6, 1-8. Online available at: www.ijemr.net
5. Alwis, A. Edirisinghe, J. & Athauda, A. (2009). "Analysis of factors affecting fresh milk consumption among the mid-country consumers". *Tropical Agricultural Research and Extension*, 2009, 12(2), 103-109.
6. Anand V.V., Panchanatham N. & Rajasekaran. B (2013). "Consumer's brand preference and brand loyalty- an empirical study with special reference to packed milk". *International Research Journal of Business and Management*, IV.
7. Andrews, N., Roberts I. & Heaster S. (1994). "The Uruguay Round outcomes: implication for Agricultural Resource Commodities". *Proceeding of National agricultural and Resource Conferences held in Canberra in Feb. 1-3*, also published in *World Commodity Market trade*, ABARE, 1, 171-179.
8. Arya S. & Ram K. (1988). "Factors affection consumption pattern of milk and milk products in rural and u rban areas". *Indian Journal of Dairy Science*, 41(1), 46-52.
9. Ates, H. & Ceylan, M. (2010). "Effect of socio-economic factors on the consumption of milk, Youghurt and Cheese". *British Food Journal*, 112 (3), 243-250.
10. Bingham, D. & Dharmasena, S. & Capps, O.S. (2014). "Demographic and Economic factors affecting demand for brand level milk in Texas". 2014. Online available at: www.ageconsearch.umn.edu.
11. Bloemer, J.M.M & Kasper, H.D.P (2009). "The complex relationship between customer satisfaction and brand loyalty". *Journal of Economics Psychology*, 16, 311-329.
12. Bonaventure, B. & Umberger, W. (2012). "Factors influencing Malaysian consumer's consumption of dairy products (online)". Available on internet: <http://ageconsearch.umn.edu>.
13. Borah, D.K & Saikia, P.K. (1996). "Consumer's preference to milk and milk products in Greater Guwahati". *Dairy Science*, 61(10),12.

14. Chand S., Saraiya A. & Sridhar V. (2010). "Public Private Partnership in Indian Dairy Industry-Initiating White Revolution II-A report". Confederation of Indian Industries, p. 16.
15. Chimboza D & Mutandwa E. (2007). "Measuring the determinants of brand preference in a dairy product market". African Journal of Business Management, 1(9), 230-237. Online available at <http://www.academicjournal.org/AJBM>.
16. David L. L. & Albert J. (2004). "Consumer behavior concepts and applications". Mc. Graw-Hill Book Company, Singapur.
17. Desai S. (2009). "The progress Flows". Kolhapur Plus, Times of India, p.4.
18. Dharmasena, S. & Cappers, O. (2014). "Unraveling demand for Dairy Alternative Beverages in United States: The case of Soymilk". Agricultural and Resource Economics Review, 43(1), 140-157.
19. Drews, M. (1984). "The market for pasteurized milk and factors affecting consumption trends, German Federal Republic". World Agricultural Economics and Rural Sociology, 26(7), 513.
20. Duffy, D.L., (1998). "Customer loyalty strategies". Journal of Consumer Marketing, 15(5), 435-448.

FACTORS AFFECTING EMPLOYEE RETENTION: A CASE STUDY OF SOFTWARE COMPANIES IN BANGALORE CITY

K. PAVAN
RESEARCH SCHOLAR
PRIST UNIVERSITY
THANJAPUR

DR. T. L. NARASIMHA REDDY
LECTURER IN COMMERCE & MANAGEMENT STUDIES
S. G. S. ARTS COLLEGE
TIRUPATI

ABSTRACT

The study explores to identify the main factors of retention management strategies in software companies. A major reason for advocating for quality of work life has been the promise that it creates a win-win situation: improved employee satisfaction and welfare, hence increased productivity, longer employee tenure and consequently increased company profitability. Nevertheless, in the context of software companies, scant attention has been given to the empirical investigation into the influence of the quality of work life on employee tenure intention in Bangalore city. The purpose of this study is to fill this gap by examining the influence of Software employees' perceptions of the quality of work life on their tenure intention and the mediating role of job satisfaction and job commitment in this relationship as far as software companies is concerned. Five hypotheses were posited and sample data of 168 were collected from Silcon City, Bangalore 5th biggest city in India, to empirically test these hypotheses. The results of this study showed that, in the Software context, quality of work life positively and significantly influences employee job satisfaction, job commitment and consequently tenure intention. The managerial implications of the findings are discussed and limitations and future research directions are indicated.

KEYWORDS

quality of work life, job satisfaction, job commitment, tenure intention, software companies.

INTRODUCTION

Worldwide, retention of skilled employees has been of serious concern to managers in the face of ever increasing high rate of employee turnover. Today's business environment has become very competitive thus making skilled employees the major differentiating factor for most organizations. Organizations - both public and private - rely on the expertise of their employees in order to compete favorably and indeed gain competitive advantage in the international market. However, recent studies have shown that retention of highly skilled employees has become a difficult task for managers as this category of employees are being attracted by more than one organization at a time with various kinds of incentives. Furthermore, skilled employees in India are daily migrating abroad for better job conditions (Gillingham, 2008). This phenomenon is having adverse effect on investment as emigrating employees moved client's investments offshore.

Employee retention issues are emerging as the most critical workforce management challenges of the immediate future. Researches have shown that in the future, successful organizations will be those which adapt their organizational behavior to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility. In fact, the dynamics of the work environment will have to reflect a diverse population comprised of individuals whose motivations, beliefs and value structures differ vastly from the past and from one another. This phenomenon is especially true in light of current economic uncertainty and following corporate downsizings when the impact of losing critical employees increases exponentially (Caplan and Teese, 1997).

However, researchers have rarely investigated the important influence of employees' perceptions of the quality of work life (QWL) on their tenure intention, particularly in developing countries like those in India. Even though empirical evidence from the developed countries like the USA and United Kingdom (UK) exists, such evidence has very seldom been corroborated in an Indian research context. The current study might therefore serve to confirm or deny the related quality of work life outcomes in an Indian context, as these appear to have a different pattern of values and beliefs from those of the developed Asian countries (Chinomona & Cheng, 2013). Thus, if the values supporting the workplace behaviors differ, it might be prudent to assume a priori that the meagre prior evidence from the developed parts of the world are no different, hence the need for this study. Furthermore, the software industry sector is widely recognised as the engine of economic growth and employment generation in both developed and developing countries and yet research targeting this vital sector of the economy remains scarce (Chinomona & Pretorius, 2011; Chinomona, Lin, Wang & Cheng, 2010). Notably, prior research on quality of work life and tenure intention have focused mainly on large industrial sector (e.g. Cummings & Worley, 2005; Dess et al., 2007) neglecting the Software companies. Given the unique characteristics of software, for example, low resource endowment, perhaps too, the findings from the software companies can be expected to differ from those of the large companies, hence the need for this study.

The present research is designed to fill the research gaps and to further validate the existing sparse evidence of the relationship between the quality of work life and tenure intention. This will be done by examining the influence of employee perceptions of the quality of work life and its influence on tenure intention in software companies in Bangalore city. Given that the research context is software companies in Bangalore city, an Indian country and a developing economy, it is an important contribution not only to the quality of work life and employees' tenure intention literature, but also to literature on organizational behavior within the small software companies context. Furthermore, the current study seeks to explore the influence of employee job satisfaction and job commitment on this relationship between quality of work life and tenure intention. Given the reported fundamental significance of job satisfaction and job commitment in the extant literature (e.g. Allen et al., 2003; Rhoades, Eisenberger & Armeli, 2001; Griffeth, Hom & Gaertner, 2000; Allen & Meyer, 1990) to HR practice, it is sensible to inquire about the extent to which they mediate the quality of the work life-tenure intention relationship in the Software companies. In addition, an effort is made to refer to Fairness theory (Folger & Cropanzano 2001), which was developed in the discipline of Psychology in order to explain antecedents of employees' tenure intention in the context of software companies. This endeavor is considered to provide a strong theoretical grounding for the current research.

The rest of the research work is organised as follows. A review of the literature, conceptual framework and hypotheses are presented. These are followed by a discussion on the methodology and the constructs and scales used, following which the analysis and conclusions are outlined. Finally, managerial implications, limitations and future research directions are given.

REVIEW OF RELATED LITERATURE

Fairness theory has previously been used in management studies to explain employee reactions to organizational authorities (Brockner, Fishman, Reb, Goldman, Spiegel & Garden, 2007; Azar & Darvishi, 2011). Fairness theory to the current research, this study submits that, when Software employees evaluate the quality of work life at their workplace, they judge it against the should, could and would alternative scenarios. They ask themselves counterfactual questions, such as, "Would our quality of work life be better if remuneration increased, job security got better or the working conditions improved? Could the software employer have

increased the remuneration or improved the terms and working conditions? Should the Software employers, do something better? In a nutshell, the Software employees perceive the quality of work life to be unfair when they feel that they would have received better outcomes, while the Software employer could have acted differently and should have done so. On the other hand, if the Software employees perceive fairness in the three counterfactual questions, then their perceptions of the quality of work life in their company and eventually their tenure intentions should be expected to be influenced accordingly.

Compensation: Creating a compensation structure that supports an employee development program is a distinct challenge for companies. Many organizations claim to base pay raises on performance, but that is not actually the case. Some companies try to emphasize a team environment, but continue to reward people for individual achievement (Feldman, 2000). These inconsistencies can cause frustration and cynicism by employees. It is especially difficult when employees are not seeing significant pay raises, yet company leaders are richly rewarded (Feldman, 2000). The entire organization must buy into the culture of employee development. Sears created a new compensation system when they got into the business of employee development. Whereas they used to only offer pay increases to employees who were promoted, they have moved to a system where people may see a pay increase for lateral moves that are appropriate for their own development (O'Herron and Simonsen, 1995).

Skill recognition: Providing skill recognition of personal job accomplishments is an effective retention strategy for employees at any age (Yazinski, 2009). Studies indicate fulfilling peoples need for acceptance by acknowledging individual work accomplishments prolongs employment of employees (Redington, 2007). A Study by Yazinski (2009) show trends of an increased number of job applicants seeking out companies that encourage employee input, growth, education, and teamwork, beyond the traditional compensation/benefit packages offered by employers. The Gale Group (2006) states organizational benefits of personal recognition are priceless, yet statistics supports that the impact of verbal praise has the ability to enhance company loyalty, motivation, and perseverance at no extra charge. Individual skill recognition is restricted by age, and motivates positive behavior, ethics, teamwork, confidence, and growth in all employees (Redington, 2007). Thus, both skill recognition (ranging from verbal praise to incentives/rewards) and learning opportunities (growth/development) enhance individual performance, effectiveness, and retention (Agrela, et al., 2008).

JOB COMMITMENT

Many researchers have found job commitment to be the key component of establishing and maintaining long-term relationships between companies and their employees (Meyer & Allen, 1997). Employee job commitment reflects the importance of a job in the company where the employee works and the intention to continue working in that job in the future (Rhoades et al., 2001; Allen et al., 2003). Psychologists have identified affective, calculative or instrumental and normative as the main motivations of employee commitment (Meyer & Allen, 1997; Lee, Allen, Meyer & Rhee, 2001). Affective commitment means that employees want to stay in the job because they like their company, enjoy the working relationship and feel a sense of loyalty and belongingness. On the other hand, calculative commitment is the extent to which employees perceive the need to maintain a job with their company because of the significant anticipated switching costs or lack of alternatives. Normative commitment means that employees stay in the job because they feel they ought to (Cater & Zabker, 2009; Meyer & Allen, 1997). In empirical studies, employee job commitment is noted as being linked to job performance, firm productivity and citizenship behavior (Allen & Meyer 1990; Mathieu & Zajac 1990; Somers 1995).

Quality of work life (QWL): The evolution of QWL began in late 1960s emphasizing the human dimensions of work that was focused on the quality of the relationship between the worker and the working environment Rose, R. C., Beh, L. S., Uli, J., Idris, K. (2006). According to Gadon (1984), QWL efforts include the areas of personal and professional development, work redesign, team building, work scheduling, and total organizational change. QWL provides healthier, satisfied and productive employees, which in turn provides efficient and profitable organization (Sadique 2003). It is generally viewed that female employees are somewhat neglected in their work places, which in turn can lead to lower level of job satisfaction and employee productivity. In this study, the quality of work life is defined as the extent to which employees in a Software companies are able to satisfy important personal needs through their experiences at their workplace (Igbaria, Parasuraman & Badawy, 1994). Thus, an individual's quality of work life is defined by their affective reactions to both objective and experienced characteristics within the Software companies working environment. In the management discipline in general, prior research often links the quality of work life to job-related outcomes such as, inter alia, employee job effort, productivity, low absenteeism and organizational performance.

Rewards & Benefits: Hackman and Oldhams (1980) highlighted the constructs of QWL in relation to the interaction between work environment and personal needs. They emphasized the personal needs are satisfied when rewards from the organization such as compensation, promotion, recognition and development meet their expectations, which will lead to an excellent QWL. Later, Maccoby (1984) identified the job satisfaction of employees and supervisors of Bell System over a five-year period. He found that the employees and supervisors were satisfied with their pay and benefits and were also motivated to work productively, but they were dissatisfied with the technology in use and felt too much supervisory control.

JOB SATISFACTION

Job satisfaction represents a combination of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a business organization, brings with it the needs, desires and experiences which determinates expectations that he has dismissed. Job satisfaction represents the extent to which expectations are and match the real awards. Job satisfaction is closely linked to that individual's behaviour in the work place (Davis et.,1985). The current study defines employee job satisfaction as a positive affective state resulting from the appraisal of all the aspects of a job by the employee (Silvestro & Cross, 2000). Such employee job satisfaction can be derived from economic outcomes or social interactions at the workplace. Overall, when the Software administration, service support, rewards and Software policies are perceived to be fair, the employee will be satisfied. Evidence mounting from previous studies indicates that job satisfaction is the most "robust" antecedent of employee commitment, service quality delivery, organizational citizenship behavior, and low employee turnover intention (Lovemore, 1998; Silvestro & Cross, 2000; Hartline & Ferrell, 1996).

EMPLOYEE RETENTION

Worldwide, retention of skilled employees has been of serious concern to managers in the face of ever increasing high rate of employee turnover. Today's business environment has become very competitive thus making skilled employees the major differentiating factor for most organizations. Organizations - both public and private - rely on the expertise of their employees in order to compete favorably and indeed gain competitive advantage in the international market. However, recent studies have shown that retention of highly skilled employees has become a difficult task for managers as this category of employees are being attracted by more than one organization at a time with various kinds of incentives. Furthermore, skilled employees in India are daily migrating abroad for better job conditions (N. Srinivas kumar, 2016). This phenomenon is having adverse effect on investment as emigrating employees moved client's investments offshore.

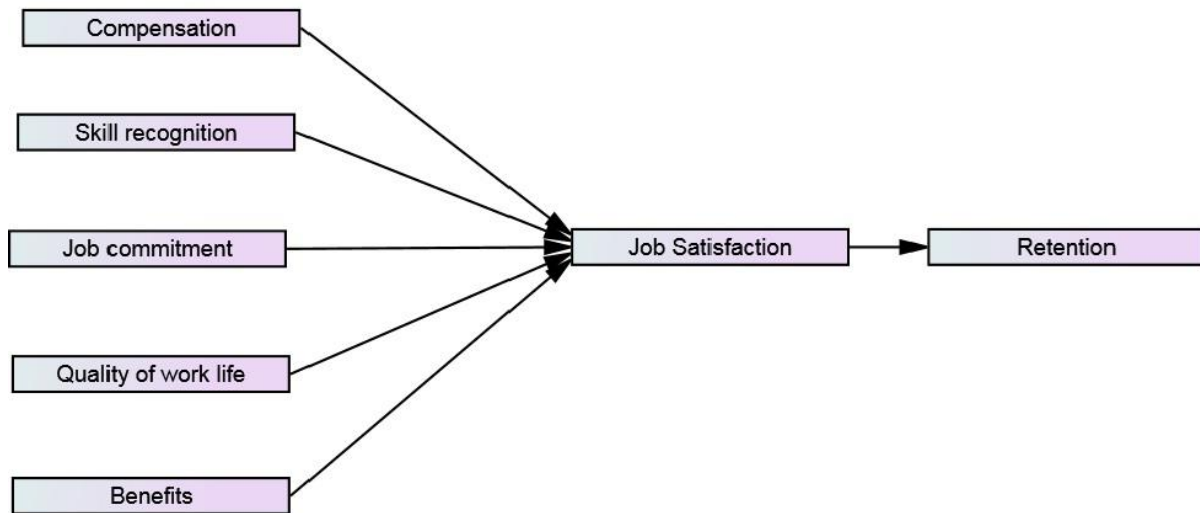
CONCEPTUAL MODEL AND RESEARCH HYPOTHESIS

Employee satisfaction is the satisfaction of employees with their jobs or the degree to which employees like their jobs. Employee satisfaction elements can be considered in relative terms, as proposed in equity theory, in which employees evaluate the fairness of exchange and base their satisfaction-related elements on the comparison of the ratio of personal outcomes (pay, recognition, opportunity and advancement) and personal inputs (time, effort, knowledge and skills). Important elements that affect employee satisfaction and retention, which are used in this paper, are: salary benefits and Quality of work life, Job commitment and compensation.

The authors theorize that firm would further reduce its turnover rate if it applies reward systems in the form of skill recognition plans to employees across the organization. As several other research studies have indicated that compensation in the form of salary only may not be sufficient to attract, satisfy or retain employees, such as benefits of working conditions, quality of work life. Similarly, the study by revealed that although salary, job commitment and work-life balance are important, it is the absence of opportunity for professional growth and development that affects retention and satisfaction.

Job commitment is strategic to the organisation's goals and thus should be able to ensure employee satisfaction, employee retention, employee development and better job satisfaction. Thus, an exchange process takes place with compensation. The survey hypotheses are:

FIGURE 1: RESEARCH MODEL



Source: Survey 2016

RESEARCH DESIGN AND METHODOLOGY

The survey adopted case study research design in which qualitative and quantitative evaluation were utilized leveraging subjective approach in order to collect relevant and substantive data. One hundred and fifty-six copies of questionnaire were administered among the software employees in Bangalore city, out of which one hundred and ten copies were retrieved representing a response rate of 70.5% while the remaining copies were either not returned or uncompleted. However, the data utilized for the survey were derived from 70.5% valid copies of questionnaire as at the time of the survey.

Simple random sampling technique was adopted for this study, which is a procedure of giving every subject in a population equal chance of appearing in the selection. Research instrument adopted for data collection was a structured questionnaire focused on the variables of the survey, which were adapted from literature reviewed, quality of work life, job commitment. Each of the items was based on a 5-point Likert scale, which allows respondents state the potency of each of the items listed in the questionnaire. Using IBM Statistical Package for the Social Sciences (SPSS), Structural Equation Modeling (SEM), as a statistical instrument for testing and estimating relationships (correlations and regression) between variables (observed and unobserved) was adopted for analyzing data collected from the self-administered questionnaire for this survey. Structural Equation Modeling is suitable for both testing of theory and development, which represents different models in assessing the validity of theories with empirical data. The proposed survey hypotheses are:

- H₁: Compensation have positive impact on employees’ satisfaction and retention.
- H₂: Skill recognition has positive impact on employees’ retention.
- H₃: Job commitment has positive impact on employees’ retention.
- H₄: There is positive impact of quality of work life on employees’ satisfaction and retention.
- H₅: Benefits have positive effect on employees’ retention and satisfaction.
- H₆: There is a positive relationship between employees job satisfaction and their retention intention in software companies.

RESULTS AND ANALYSIS

Structural equation modelling (SEM) was used to test the proposed model and is a method suitable for samples of more than 200 respondents (Snoj *et al.*, 2004). SEM is mostly used in social sciences, especially in testing hypotheses of causal influences (Snoj *et al.*, 2004). Compared with multivariate procedures, SEM is a more powerful alternative that takes into account the correlated independents, measurement error and multiple latent independents (Byrne, 2000, p.54). SEM has been widely used in empirical studies (Kennedy *et al.*, 2001; Sirdeshmukh *et al.*, 2002). To test the proposed relationships among the study variables, structural equation modelling (SEM) was conducted using the AMOS 20 program (Arbuckle, 2010). **Model testing**

The Conceptual Model was developed from the SEM model. The estimated structural equation model for the Conceptual Model is presented in Table 1. Generally, all the fit indices are either equal or above the rule of thumb; observed NFI value is 0.943, which is an acceptable fit (NFI rule of thumb suggests ≥ 0.90; Tabachnick and Fidell, 2007); in similar direction, TLI = 0.701.; CFI = 0.967; and RMSEA = 0.089, and by these results, all indices are acceptable fit, CFI rule of thumb suggests >.90 is good; >.95 is very good; RMSEA rule of thumb suggests <.05 is good; <.08 is acceptable. As obtained in results of the analysis, the model shows a good fit to the data, and the summary of the observed indices is shown in table 1.

TABLE 1 SUMMARY OF MODEL FIT (N=120)

FIT INDEX	Recommended Values	Observed Values
Normed Fit Index (NFI)	≥0.90*	0.943
Comparative Fit Index(CFI)	≥0.90**	0.967
Tucker-Lewis Index (TLI)	≥0.70*	0.701
Construct reliability (CR)	≥0.70*	0.799
RMSEA	≤0.08**	0.089
SMCC (Squared multiple correlation coefficient)	≤0.3**	0.3 to 0.5
Chi-square/df	≤3.00**	7.804

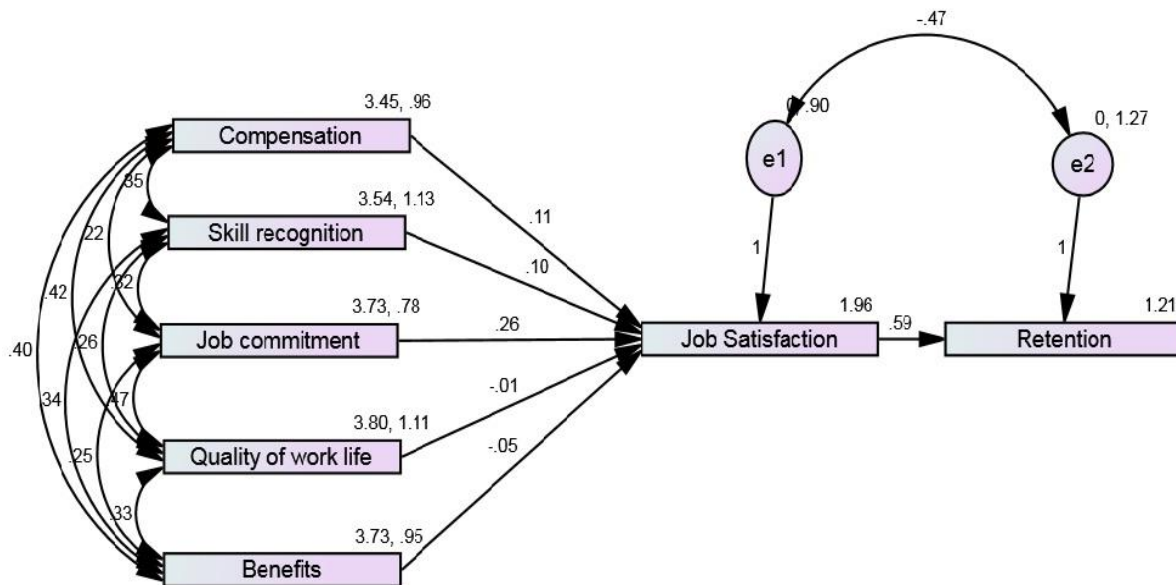
Source: SEM analysis primary data

The measure of fit for employee satisfaction are summarised by the TLI (0.701) and the CFI (0.967). Although the TLI is a bit lower, the value of the CFI approximates to 0.9 and hence the model is judged to have an acceptable fit. All measures associated with the construct are statistically significant. For each measure, the null hypotheses that the true value of the coefficient is zero is rejected at the 0.001 level of significance. All measures have the correct positive signs. With respect to the SMCC, all measures for satisfaction have an acceptable coefficient ranging from 0.3 to 0.5. Composite reliability (0.799) exceeds the minimum threshold of 0.7. From the results, an overall assessment is that the measurement model for employee satisfaction is acceptable.

The results of the survey model are graphically depicted in figure 2, which displays the path coefficients of the significant relationships that exist among the observed variables. This is carried out in two parts; (i) correlation between five observed variables, and (ii) multiple regression by which these observed predictors (compensation, skill recognition, job commitment, Quality of work life and benefit) predicting one outcome variable (job satisfaction), which has a direct prediction on retention.

Generally, looking at the correlation coefficient paths, close association exists among the observed variables. For instance, the path coefficient value between quality of work life and compensation is 0.42, which is positive and significant; in the same vein, the relationship between benefits and compensation is .40; skill recognition and compensation is .35; benefits and skill recognition is .34. Evidently, the results of the multiple regressions indicate strong relationship between the observed variables, and these are reflected in the tested hypotheses.

FIGURE 2: RESULTS OF RESEARCH MODEL



The direct regression coefficient value between compensation and job satisfaction is 0.11, which is significant. Therefore, the first hypothesis that says “Compensation has positive impact on employee Job satisfaction” is accepted. The second hypothesis “skill recognition has positive impact on employee Job satisfaction” is also accepted based on the regression coefficient value of 0.10, which is positively significant. Similarly, the direct coefficient path from job commitment to job satisfaction is 0.26, which is evident that the postulated hypothesis three that says “commitment have positive impact on employees’ Job satisfaction” should be accepted. The direct coefficient path from quality of work life to job satisfaction is -.01, which is evident that the postulated hypothesis four that says “quality of work life has negative impact on employee Job satisfaction” should be rejected. It is important to state that all the postulated hypotheses are accepted based on the coefficient path values obtained from the analysis expect quality of work life. Above all, the coefficient path value from performance to retention is 0.59, which indicates that performance has a strong predictor of employee retention.

The overall fit of the structural model was adequate and the recommended statistics for the overall structural equation model fit indices were $\chi^2/df = 7.804$; GFI=0.913; CFI=0.967; IFI=0.971; NFI=0.943; RFI =0.701 and RMSEA=0.080. As shown in Table 2, the completely standardized path estimates indicate significant relationships among the constructs at $p < 0.01$. These results provided for the entire proposed five research hypothesis but supports for the three research hypothesis. The path coefficients for H1, H2, H3, H4 H5 and H6 are $\beta = 0.11$, $\beta = 0.10$, $\beta = 0.26$, $\beta = -0.01$ and $\beta = -0.05$ respectively. Quality of work life, benefits of employee both are showing negative values. For this measure, the null hypotheses that the value of the coefficient is negative signs. Hence it concluded that H4 and H5 are not supported measures associated with the construct are not statistically significant.

TABLE 2: RESULTS OF STRUCTURAL EQUATION MODEL ANALYSIS

Path	Hypothesis	Path Coefficients (β)
Employee Perception of Compensation (COM) → Employee Job Satisfaction (ES)	H1	.11 ^a
Employee Perception of Skill recognition (ESR) → Employee Job Satisfaction (ES)	H2	.10 ^a
Employee Perception of Job commitment (EJC) → Employee Job Satisfaction (ES)	H3	.26 ^a
Employee Quality of work life (QWL) → Employee Job Satisfaction (ES)	H4	-.01 ^a
Employee Fringe Benefits (EFB) → Employee Job Satisfaction (ES)	H5	-.05
Employee Job Satisfaction (ES) → Employee Retention intention (ERI)	H6	.59 ^a

Structural Model Fits: $\chi^2/df = 7.804$; GFI=.913; CFI=.967; IFI=.971; RFI=.701; NFI=.943; and RMSEA=.0080.

^aSignificance Level $p < .10$; ^bSignificance Level $p < .05$; ^cSignificance Level $p < .01$.

For the overall employee job retention scale, as it has five components, for evaluating convergent validity of a construct with various components is the CFA. The consists of examining the correlation matrix of the five components. Significant correlation between them indicates that the components converge into a common construct, thus satisfying convergent validity. As it is shown in table 3 all the correlation coefficients are significant at 0.01 level.

TABLE 3: INTER-CONSTRUCTS CORRELATION MATRIX

RESEARCH CONSTRUCTS	COM	ESR	EJC	QWL	EFB
Employee Compensation (COM)	-				
Employee Skill recognition (ESR)	.333**	-			
Employee Job commitment (EJC)	.258**	.335**	-		
Employee Perceptions of Quality of Work Life (QWL)	.417**	.231*	.504**	-	
Employee Fringe-Benefits (EFB)	.401**	.329**	.289**	.320**	-

($p < 0.10$; Sample size = 120)

DISCUSSION AND MANAGERIAL IMPLICATIONS

As obtained in the literature, the underlying theory of compensation sees compensation as a predictor of behaviour, in other words, reward or compensation can influence a repeat of behaviour. In opposite direction, several other research studies have indicated that compensation in the form of salary only may not be sufficient to attract, satisfy or retain employees, such as benefits of working conditions, skill recognition, or repeated behavior, the study by revealed that although salary, skill recognition and work-life balance are important, it is the absence of opportunity for professional growth and development that affects retention and satisfaction.

Compensation is strategic to the organisation's goals and thus should be able to ensure employee satisfaction, employee retention, employee development and better organizational growth. From the result of the study, the findings showed that there are positive significant relationships among compensation, skill recognition, commitment, and negative values showing quality of work life and fringe benefits. In other words, that, that there are correlations between these variables which invariably predict satisfaction because as put it, there is a link between compensation/benefit packages employee satisfaction levels, and turnover and concluded that organizations that have better compensation systems cum policies in place put a very positive impact on their employees thereby committing them to the organisation and such will be less likely to leave it.

Because of the strong relationship between these components of job commitment and job satisfaction are affected positively which is a strong predictor of employee retention is of the opinion that the task in compensation management is to develop policies and strategies that will attract, satisfy, retain and motivate employees thereby leading to employee satisfaction and retention. This encourages top performers to work harder and helps build a competitive atmosphere in the organization as it supports the achievement of business objectives.

However, the followings are the managerial implications of the results of the above model;

- Since efforts are directed towards achievement of the goals and the efforts are not in isolation to the ability of the employees, then ability should be enhanced through training, development, capacity building premiums, orientation and reorientation, counselling programmes, etc.
- Organizations will do well if employees motivation is not taken for granted, knowing well that workers come to work with expectations and needs they want to satisfy via their work efforts.
- Managers must make known to employees concerning the reward attached to each performance target so that each employee know what he/she can expect in exchange for his/her efforts at every level of performance.
- Managers must ensure that rewards are matched to employees' needs and preferences. Therefore, managers will do well to motivate employees if they offer what is called cafeteria compensation.

In conclusion, Managers must ensure that rewards distributed to employees are dynamic and constantly re-evaluated to ensure their transparency and fairness to all employees so as to continue to have their dedication, commitment and loyalty, which is the major drive for keeping contented and satisfied employees, thus avoiding turnover but ensuring retention of vibrant employees.

REFERENCES

1. AGRELA, R., CARR, R., VEYRA, V, DUNN, C., ELLIS, D., GANDOLFI, A., GRESHAM, B., KING, L., SIMS, A, & TROUTMAN, 1. (2008). Retention issues and solutions: tools to ensure University of California becomes an employer of choice. <http://www.ucop.edu/cucsaldocuments>
2. ALLEN, D.G., SHORE, L.M & GRIFFETH, R.W. 2003. The Role of Perceived Organisational Support and Supportive Human Resource Practices in the Turnover Process. *Journal of Management*, 29(1), 99–118
3. ALLEN, N. J., & MEYER, J. P. 1990. The measurement and antecedents of affective, continuance, and normative commitment to the organisation. *Journal of Occupational Psychology*, 63, 1-18.
4. ALLEN, N. J., & MEYER, J. P. 1990. The measurement and antecedents of affective, continuance, and normative commitment to the organisation. *Journal of Occupational Psychology*, 63, 1-18.
5. Arbuckle, J. S. (2010) *IBM SPSS® Amos™ 19 User's Guide*. Available at: www.amosdevelopment.com/download/amos.pdf (Accessed: July 2011)
6. AZAR, A & DARVISHI, Z.A. 2011. Development and validation of a measure of justice perception in the frame of Fairness theory – Fuzzy approach. *Expert Systems with Applications*, 38, 7364–7372
7. BROCKNER, J., FISHMAN, A. Y., REB, J., GOLDMAN, B., SPEIGEL, S., & GARDEN, C. 2007. Procedural fairness, outcome favorability, and judgments of an authority's responsibility. *Journal of Applied Psychology*, 92, 1657–1671.
8. Byrne, B. M. (2000). *Structural Equation Modeling with AMOS: Basic Concepts, Applications, and Programming*. Lawrence Erlbaum Associates, Mahwah, NJ: Lawrence Erlbaum Associate.
9. Caplan, Gayle and Teese, Mary. (1997). *Survivors—How to keep your best people on board after downsizing*. Palo Alto, CA: Davies-Black Publishing.
10. CATER, B., & ZABKAR, V. 2009. Antecedents and Consequences of Commitment in
11. CHINOMONA, R & PRETORIUS, M. 2011. SME manufacturers' Cooperation and Dependence On Major Dealers' Expert Power In Distribution Channels, *South African Journal Of Economics And Management Sciences*, 12 (2), 170-186
12. CHINOMONA, R. & CHENG, J. 2013. Distribution Channel Relational Cohesion Exchange Model: A Small-to-Medium Enterprise Manufacturer's Perspective. *Journal of Small Business Management*, 51(2), 256–275
13. CHINOMONA, R., LIN, J., WANG, M., & CHENG, J. 2010. Soft power and desirable relationship outcomes in Zimbabwe distribution channels. *African Journal of Business*, 11(2), 20-55.
14. CUMMINGS, T.G. & WORLEY, C.G. 2005. *Organisational development and change*. Cincinnati, OH: Thomson South-Western College Publishing.
15. Davis, K. and Nestrom, J.W. (1985). *Human Behavior at work: Organizational Behavior*, 7 editions, McGraw Hill, New York, p.109
16. DESS, G.G., LUMPKIN, G.T., & EISNER, A.B. 2007. *Strategic management*. Boston, MA: McGraw-Hill Irwin.
17. Feldman, D. (2000). The Dilbert syndrome: How employee cynicism about ineffective management is changing the nature of careers in organizations. *American Behavioural Scientist*, 43, 1286-1301.
18. FOLGER, R., & CROAPANZANO, R. 2001. Fairness theory: Justice as accountability. In J. Greenberg & R. Cropanzano (Eds.), *Advances in organisational justice*, (Vol. 1, pp. 1–55). New York: Information Age Publishers.
19. Gadon, H. (1984) Making Sense of Quality of Work Life Programs, *Business Horizons*, January-February, 42-46.
20. Gillingham A (2008). Skills and clientele vanish. *Sunday Times*, 28 September. p. 17.
21. GRIFFETH, R. W., HOM, P. W., & GAERTNER, S. 2000. A meta-analysis of antecedents and correlates of employee turnover: Update, moderator tests, and research implications for the next millennium. *Journal of Management*, 26, 463–488.
22. Hackman, J.R. & Oldham, R.G. (1980), *Work Redesign*, Reading, MA: Addison-Wesley
23. HARTLINE, M.D., & FERRELL, O.C. 1996. The management of customer-contact service employees: an empirical investigation. *Journal of Marketing*, 60, 52–70.
24. Igbaria, Magid; Parasuraman, Saroh; and Badawy, Michael. 1994. "Work Experiences, Job Involvement, and Quality of Work Life Among Information Systems Personnel," *MIS Quarterly*, (18: 2).
25. LEE, K., ALLEN, N., MEYER, J.P. & RHEE, K-Y. 2001. The Three-Component Model of Organisational Commitment: An Application to South Korea, *Applied Psychology*, 50 (4), 596–614
26. LOVEMORE, G. 1998. Employee Satisfaction, Customer Loyalty, and Financial Performance. An Empirical Examination of the Service Profit Chain in Retail Banking. *Journal of Service Research*, 1 (1), 18-31.
27. Marketing Research Services: The Client's Perspective. *Industrial Marketing Management* 38 (7), 785-797.
28. MATHIEU, J.E., & ZAJAC, D. 1990. A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological Bulletin*, 108: 171–194.
29. McColl-Kennedy, J. R. and Bennett, R., Härtel, C. E. J. (2005) 'Experience as a moderator of involvement and satisfaction on brand loyalty in a business-to-business setting 02-314R', *Industrial Marketing Management*, 34, pp. 97-107.
30. MEYER, J.P., & ALLEN, N.J. 1997. *Commitment in the workplace*. Thousand Oaks, CA: Sage.
31. O'Herron, P., & Simonsen, P. (1995). Career development gets a charge at Sears Credit. *Personnel Journal*, 74 (5), 103-106.

32. Redington, K. (2007). Motivating employees: Is money or recognition more appreciated? Retrieved from: <http://www.helium.com/items/1113809-recognition?pag>.
33. RHOADES, L., EISENBERGER, R., & ARMELI, S. 2001. Affective commitment to the organisation: The contribution of perceived organisational support. *Journal of Applied Psychology*, 86: 825–836.
34. RHOADES, L., EISENBERGER, R., & ARMELI, S. 2001. Affective commitment to the organisation: The contribution of perceived organisational support. *Journal of Applied Psychology*, 86: 825–836.
35. Rose, R.C., Beh, L.S., Uli, J. & Idris, K. (2006a). An Analysis of Quality of Work Life (QWL) and Career-related Variables. *American Journal of Applied Science* 3(12): 2151-2159.
36. Sadique, Z 2003, „Quality of Work Life among White Collar and Blue Collar Employees“, *Journal of the Institute of Bangladesh Studies*, vol. 26, pp. 169 - 174.
37. SILVESTRO, R., & CROSS, S. 2000. Applying the service profit chain in a retail environment: Challenging the “satisfaction mirror”. *International Journal of Service Industry Management*, 11 (3), 244 – 268.
38. Sirdeshmukh, D. and Holzmüller, H. (2003) ‘Investing industry context effects in consumer firm relationships: preliminary results from a dispositional approach’, *Journal of the Academy of Marketing Science*, 31, (1), pp. 46-60.
39. Snoj, B., Korda, A. P. and Mumel, D. (2004) ‘The relationships among perceived quality, perceived risk and perceived product value’, *Journal of Product & Brand Management*,
40. SOMERS, M.J. 1995. Organisational Commitment, Turnover and Absenteeism: An Examination of Direct and Interaction Effects. *Journal of Organizational Behavior*, 16, 49-58.
41. Srinivas Kumar N. 2016 “A Study on Employee Retention with Special Reference to Software Companies” *Asian Journal of Multidisciplinary Studies* Vol. 4, Issue 1, January 2016. 47- 53.
42. Yazinski, S. (2009). Strategies for retaining employees and minimizing turnover. Retrieved from <http://hr.blr.com/whitepapers.aspx?id=80396>.

CORPORATE SOCIAL RESPONSIBILITY: ITS IMPACT ON THE DEPOSIT MONEY BANKS IN NIGERIA – A CASE STUDY OF GUARANTY TRUST BANK NIGERIA

IBRAHIM MOHAMMED GADDAFI
ASST. LECTURER
NATIONAL OPEN UNIVERSITY OF NIGERIA
AHMADU BELLO WAY

ABSTRACT

This work analyzed the impact of corporate social obligation on the store cash banks in Nigeria. The goal of this study is to decide the impact of corporate social obligation on the execution of Nigerian store cash banks. The study received graphic review plan in doing the study. The observational audit of this study depended on the relationship between corporate social obligation and execution of created and creating nations store cash banks like Nigeria. The study uncovers that Social obligation greatly affects the general public by adding to the frameworks and improvement of the general public. We likewise reason that an organization needs to offer back to the general public in which it works, tidy up all types of contamination it has brought about in its course of operation furthermore give infrastructural offices to the general public as a method for giving back and building up the general public. Also, we prescribe that corporate social obligations ought to be seen by the firm as social commitments business concerns owe their shareholders, the neighborhood (host) group, overall population, clients, workers and the administration throughout working their authentic organizations, such that CSR ought to be incorporated into the law and implemented on the organizations appropriately and that Government ought to alter a base rate of benefit corporate firm ought to use on corporate social obligation exercises.

KEYWORDS

CSR, DMBs, social responsibility, economic responsibility, government.

1. INTRODUCTION

At a prior point ever, societal desires from business associations did not go past effective asset designation and its boost. Yet, today, it has changed and advanced business must think past benefit amplification toward being in any event socially dependable to its general public.

Corporate social responsibility (CSR) is a fast growing concept in banking industry with little attention paid to its linguistic. CSR is common in the literature but not in the practice. Despite the need for business to be morally conducted, one of the primary reasons in CSR is whether organisations pursue it for economic reasons or because of the advantages involve. Unfortunately, there has been few or no empirical test conducted in support of the advantages and disadvantages involve in CSR. This makes CSR practice sustainable to the popular accusation of being a profitable public relations and marketing strategies (Adegboyega and Taiwo, 2011).

Today's uplifted enthusiasm for the part of business in the public arena has been elevated by expanded affectability to the consciousness of natural and moral issues. It implies our general public has turned out to be progressively worried that more prominent impact and advance by firms has not been joined by equivalent exertion and yearning in tending to vital social issues including issues of neediness, medication misuse, wrongdoing, dishonorable treatment of specialists, defective creation yield and natural harm or contamination by the commercial enterprises as it has additional time been accounted for in the media. It is subsequently exceptionally vital for all to understand that open objection for expanded social obligation won't vanish if business associations neglect to react to the difficulties these had postured for the general public (Amaechi, 2009).

In modern business world, corporate social responsibility has been emphasized by stakeholders as a driving tool for success to be accomplished. It has become an increasing evident and crucial component of overall performance of business organizations generally. Conscious of this concept, ordinary citizen, potential investors, pressure groups, politicians, insurance companies and a wide range of other stakeholders are increasingly demanding organizations to account for the social, natural environment and economic impacts that they have on every community in which they operate (Nwachukwu, 2006).

CSR has today become imperative, due to the goodwill it generates and the belief that the overall health of both the corporate entities and the environment where they operate are mutually dependent.

In perspective of the apparent data hole, it is along these lines advantageous ordering and totaling in a more sorted out way, the commitments of Nigerian companies [using store cash banks as a focus] to the prosperity of the general public. This is important if just to appear, in a realistic and scientific ways that the businesses truly relate to the yearnings of the groups and the overall population. In the early years of this century, two Americans freely and without knowing of each other were among the primary specialists on the planet's history to start real group changes (Gowon, 2007).

Andrews Carnegie preached and financed the free public library. Julius Rosenwald fathered the country farm agent system and adopted the infant 4-H CLUBS. Carnegie was already retired from business and one of the world's richest men. Rosenwald who had recently bought a near bankrupt mail order firm called Sear Roebuck and Company, was only beginning to build both his business and fortune (Chapple and Moon, 2005).

The two held basically different philosophies. Carnegie believed that the sole purpose of being rich is to be a philanthropist, that is, the "social responsibility of wealth". Rosenwald believed that you have to be able to do good to do well, that is, the "social responsibility of business". Irwin (2000) has systematically used corporate funds to create a healthy community which, at the same time is a direct, though intangible investment in a healthy environment for his company. Miller specifically aimed at endowing his small industrial town with the 'quality of life' that would attract to it the managerial and technical people on whom a big high-technology business depends.

Only if business and particularly Nigerian deposit money banks learn that to do well it has to do good, can we hope to tackle the major challenges facing developing societies today. The economic realities ahead are such that 'social needs' can be financed increasingly only if their solution generates commensurate earning which precisely is what business is known for.

Banking industry in every country is indispensable in the economic development of such country. This is probably the reason why the banking industry is the most regulated of all the industries in most countries

Over the years, corporate social responsibility (CSR) has blossomed as an idea, if not as a coherent practical programme. Corporate social responsibility commends the attention of executives everywhere, if their public statements are to be believed and especially that of the managers of multinational companies. We can actually say firms involved in Corporate Social Responsibility are actually not regretting because of the increase it has made on their sales leading to profit and how they have impacted the environment.

Unfortunately, this is not the case. In some banks, more money is spent on advertising their CSR projects. There is therefore the question of finding out the extent to which corporate social responsibility affect deposit money banks in Nigeria.

The aim of this paper is to ascertain impact of Corporate Social Responsibility on the Deposit Money Banks in Nigeria. This paper is organized as follows; section one is the introduction while section two reviews the empirical and theoretical literature on Corporate Social Responsibility; while section three provides the summary, conclusion and recommendations of the study.

2. LITERATURE REVIEW

2.1 CONCEPTUAL FRAMEWORK

The Bali Roundtable on developing countries in 2002 recognized the business sector as a primary driver of economic development and the World Summit for Sustainability identified business involvement as critical in alleviating poverty and achieving sustainable development.

Corporate social responsibility has to do with an organization going out of his way to initiate actions that will impact positively on its host community, its environment and the people generally. It can be seen as a way of acknowledging the fact that some business fall outs have adverse effects on the citizens and society and making efforts to ensure that such negative impact are corrected (Ite, 2004). Adeyanju (2012) believe that corporate social responsibility means that a corporation should be held accountable for any of its actions that affect people, communities, and its environment. It implies that negative business impacts on people and society should be acknowledged and corrected, if possible. It may require a company forgoing some profits if its social impacts are seriously harmful to some of its stakeholders or if its fund can be used to promote a positive social good.

2.2 EMPIRICAL REVIEW

Akindele (2011) adopted a survey design using ex-post, facto type, with officials drawn from 4 randomly selected banks type in Nigeria in carrying out a study on corporate social responsibility: An organizational tool for survival in Nigeria. The general objective of the study is to examine the extent and role of the retail banking industries in corporate social responsibilities practices to help achieve sustainable growth and development in the local communities. The data for the study was analyzed using both descriptive and inferential statistics, while predictions and decisions based on sample data were determined using Analysis of variance (ANOVA). It was found that there is a significant relationship between bank profitability and CSR practices.

Olayinka and Temitope (2011) used qualitative research method to examine the relationship between corporate social responsibility and financial performance in Developing Economies; "The Nigerian Experience. The study obtained data on variables which were believed to have relationship with CSR and financial performance. These variables included Return on Earnings, Return on Asset, Community Performance, Employee Relation and Environment Management System. The result shows that CSR has a positive and significant relationship with the financial performance measures. These results reinforced the accumulating body of empirical support for the positive impact of CSR on financial performance.

Margolis cited by Olayinka and Temitope (2011) in a survey of 95 empirical studies conducted between 1972-2001, reported that: "when treated as an independent variable, corporate social performance is found to have a positive relationship to financial performance in 42 studies (53%), no relationship in 19 studies (24%), a negative relationship in 4 studies (5%), and a mixed relationship in 15 studies (1990)." In general, when the empirical literature assesses the link between social responsibility and financial performance, the conclusion is that the evidence is mixed. Amaeshi et al. (2006) used a two pronged and two stage approach in carried out a research on Corporate Social Responsibility (CSR) in Nigeria: Western mimicry or indigenous practices? The results/analysis show that the understanding and practice of CSR in Nigeria is still largely philanthropic and altruistic. These finding differs from the understanding and practice of CSR in western economies where CSR have advanced beyond philanthropy.

Adegboyega and Taiwo (2011) worked on the contributions of Corporate Social Responsibility to Agriculture and Rural Development in Nigeria using quantitative research method. The study finds that there is significant relationship between corporate social responsibility and agricultural sector both in short and long run.

In a recent study of impact of corporate social responsibility on the profitability of Nigerian banks by Amole et al. (2012) which made use of ordinary least square (OLS) model of regression in testing the relationship between dependent and independent variables. The study used data on corporate social responsibility expenditure and profit after tax for the period of 2001-2010. It adopts model on the causal relationship between CSR and firms financial performance (FFP). The results of the regression analysis revealed that for every unit change increment in the CSR expenditure, there will be 95% increase in the profit after tax of the bank. The R-Square value of 0.893 obtained shows that CSR accounted for 89% of the variation in the profit after tax of the bank. The study finds that there is positive relationship between banks CSR activities and profitability, stating the need for banks to demonstrate high level of commitment to corporate social responsibility based on stakeholder's theory in order to enhance their profitability in the long run.

2.3 DEFINITION OF CSR

There is a myriad of definitions of Corporate Social Responsibilities (CSR), each considered valuable in their own right and designed to fit the specific organization. The majority of definitions integrate the three dimensions to the concept, that is, economic, environmental and social dimensions. CSR had also been commonly described as "a demonstration of certain responsible behavior on the part of public and the private (government and business) sectors toward society and the environment". Business for Social Responsibility (BSR), a leading Global Business partner, in a Forum held in 2006 defined CSR as achieving commercial success in ways that honors ethical values and respect people, communities, and the natural environment. For BSR, CSR also means addressing the legal, ethical, commercial and other expectations society has for business, and making decisions that fairly balance the claim of all key stakeholders. In its simplest terms, it is: "what you do", "how you do it" "and when and what you say". In this sense, CSR is viewed as a comprehensive set of policies, practices and programmes that are integrated into business operations, supply chain, and decision making processes throughout the company and wherever the company does businesses that are supported and rewarded by top management. It also includes responsibility for current and past actions as well as future impacts. The issues that represent a company's CSR focus vary by business, size, sector and even geographical region. It is seen by leadership of companies as more than a collection of discrete practices or occasional gestures or initiatives motivated by marketing, public relations or other business benefits (Auka, 2011).

Also, the World Business Council on Sustainability Development, 1998 described CSR as "the continuing commitment by Business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". "CSR is the concept that an enterprise is responsible or accountable for its impact on all relevant shareholders" (European Union, 2006).

Macmillan (2005) cited in Keffas and Olulu-Brigs (2011) opined that "CSR is a term describing a company's obligation to be accountable to all its stakeholders in all its operations and activities. Socially responsible companies will consider the full scope of their impact on communities and the environment when making decisions, balancing the need of stakeholders with their need to make a profit". "CSR is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Since stakeholders exist both within a firm's and outside a firm, hence, behaving socially and responsibly will increase the human development of stakeholders both within and outside the corporation" (Clarkson, 1995).

Kenneth, Andrews and Steiner (1999) cited in Adeyanju (2012) defined Corporate Social Responsibilities (CSR) "as the intelligent and objective concern for the welfare of the society that retains the individual and corporate behaviour from ultimately destructive activities, no matter how immediately profitable and leads to the directions of positive construction of human betterment".

As an improvement on the above definitions, Koontz and O'Donnell (2008) in Adeyanju (2012) defined social responsibility as the personal obligation of everyone, as he acts in his own interests, but he must always have due regard that his freedom does not restrict others from doing the same thing. He further noted that a socially responsible individual or organization will obey the laws of the land because the rights of others are at stake.

2.4 CHARACTERISTICS OF CSR

The European Foundation for Quality Management (EFQM) presents some common characteristics for CSR are:

- i. Meeting the need of current stakeholders without compromising the ability of future generations to meet their own demand.
- ii. Adopting CSR voluntarily, rather than as legal requirement, because it is seen to be in the long-term interests of the organization.
- iii. Integrating social, environmental and economic policies in day to day business.
- iv. The three dimension of CSR with specific examples of areas particular to each dimension are:
 - a. Economic Responsibility: Integrity, corporate governance, economic development of the community, transparency, prevention of bribery and corruption, payments to national and local authorities, use of local suppliers, hiring local labour and similar areas.
 - b. Social Responsibility: Human rights, training and developing local labour, contributing expertise to community programs and similar areas.
 - c. Environmental Responsibility: Precautionary approaches to prevent or minimize adverse impacts support for initiatives, promoting greater environmental responsibility, developing and diffusing environmentally friendly technologies and similar areas.

Lohman and Steinholtz (2004) cited in Osemene (2012) view the CSR concept as a combination of three separate agendas, namely Corporate Sustainability, Accountability and Governance.

2.4.1 RESPONSIBILITIES OF A BANK

To achieve set objectives, every bank owes various duties to all the stakeholders, and these must be fulfilled. These responsibilities are discussed below.

1. Duty to protect the well-being of people in its environment. A bank's primary duty is to protect the well-being of those living in its environment; its operations or practice. For example, a bank or firm wishing to carry out banking business must first be incorporated under the Companies and Allied Matter Act (CAMA), 1990 and then valid licence from the governor of the Central Bank of Nigeria (CBN). Its operations should be in line with the provisions of the Bank and Other Financial Institutions Acts (BOFIA), 1991, the CBN Act, the Nigerian Deposit Insurance Corporations (NDIC) Acts, the Money Laundry Act 2004 and other banking laws.
2. A bank should not deceive others. Deception, in this way, can take various forms, namely; failing to include all the required quantities and quality materials for producing a particular product, but may still indicate on the package that the normal quality were involved; colluding with the external auditor to render false financial statements to shareholders, regulating authorities and members of the public, with a view to declaring false profit; preparing two sets of accounts or returns, i.e. accurate and false accounts, and sending the false one to the regulatory authorities and the accurate one to the shareholders, to conceal some facts in the course of bank supervision and examination.
3. Duty to make reasonable return to shareholders in accordance with the level of investment. The ordinary shareholder takes the highest risk in business; hence it is the duty of management of a company to utilize the resources of the company effectively to generate profit, the bulk of which should go to the ordinary shareholder.
4. The firm should ensure that the market price of the company's share is attractive to the public. When this is done, the owner's economic welfare is maximized through high return on capital usually reflected on the market price of shares of the company.
5. Duty to pay reasonable salaries and wages to the employees. It is the duty of the firm to use the revenue generated from its business activities to pay fair and reasonable compensation in the forms of salaries and allowances to workers. This should be commensurate with the services rendered. However, it will be unethical, unfair and an act of irresponsibility for a firm to ask the workers to perform task that will expose them to serious danger, risk, or unprofessional practices, all in the interest of robust salaries and allowances. For example, a situation where banks set unachievable deposit targets for staff by employing 'beautiful' ladies and 'handsome' men to run after money-bags to attract deposits. This encourages fraud and prostitution. A staff that fails to meet the target knowing full well that he would be sacked might resort to stealing to raise more funds or resort to prostitution. In like manner, a firm that pays reasonable returns on capital will enjoy continuous investment of shareholders.
6. Duty to use part of the firm's profit to provide amenities that promote the common good of the community in which it operates.
7. Duty to embark on projects that brings about the expansion and improvement in the company's operations.

2.4.2 SOCIAL RESPONSIBILITY TO STAKEHOLDERS

An organization should fulfill its social responsibilities to the following stakeholders for it to achieve its set objectives. For instance, using a Bank as a case study, the stakeholders will include:

1. CUSTOMERS

- a. Offer efficient services; Make savings and withdrawals of money less time consuming by reducing the waiting time;
- b. Ensure adequate liquidity so that cash withdrawals are met promptly; Pay competitive rate of interest on saving and deposit, in line with the CBN's credit and monetary guidelines; Charges reasonable interest rates and commissions;
- c. Ensure safety of deposit so much so that the customers can deposit his money in the bank and go to sleep; and make secret of the affairs between the bank and customers to protect the interest of the customers.

2. SHAREHOLDERS

If banks are to guarantee continuous investment of their shareholders, they have the duty of:

- a. Ensuring effective performance by utilizing the capital invested in the bank to maximize profit.
- b. Paying good dividends, i.e. reasonable returns commensurate with the capital investment. Maximizing the owner's wealth by ensuring good market prices of the shares of the bank in the stock market;
- c. Keeping the shareholders informed of the bank's performances through annual general meetings, newsletters and information bulletins.

3. EMPLOYEES

- a. Provide a conducive working environment i.e. make available modern working tools and equipment, ventilated offices, good infrastructure, decent and official cars, health and safety equipment at the workplace etc;
- b. Pay competitive salary remuneration commensurate with the level of commitment
- c. Offer opportunities for career development, e.g. inducement for taking professional examination;
- d. Train and develop employees through continuous learning at seminars, conferences, workshop, with the view to update their knowledge base, to meet rapid changes in the banking environment;
- e. Keep employees adequately informed on the policies, procedures and rules relating to day-to-day banking operations. This can be done through newsletters, bulletins, meetings, etc.;
- f. Involve employees in decisions affecting them, to ensure their total commitment and loyalty; and maintaining equal opportunities among employees, i.e. there should be no preferential treatment or favourism.

4. GOVERNMENT

Being a responsible corporate entity or citizen, provide credit facilities to various sectors of the economy, with a view to ensuring the economic development of the country; Comply with the laws and regulations prescribed by regulatory authorities like the Central Bank of Nigeria, the Nigeria Deposit Insurance Corporate, etc.; and Assist government in funding and promoting social activities, such as sponsoring sports programmes, contributions towards combating diseases e.g. AIDS, etc.

5. PUBLIC

Banks are socially responsible to the banking public, in general, and members of the community in which they are situated, in particular, in the following ways: Development of the environment through provision of basic facilities like good drinking water, donations to development associations, bringing banking services to the rural areas, indigenous lending, etc. creation and maintenance of employment opportunities to qualified members of the community. This encourages loyalty, commitment and cooperation from the community; Participation in community activities, such as donations to community to celebrations, awarding scholarship to deserving members of the community, and using the skills of employees to develop charitable goods and services.

2.4.3 CONCEPT OF CSR IN NIGERIA

To be able to understand CSR from a Nigerian perspective it is of value to explore the drivers for, and the history and development of CSR in Nigeria. The World Business Council for sustainable Development has discussed CSR with business and non-business stakeholders in a number of countries in the world with the objective of understanding local perspectives better and to get different perceptions of what CSR should mean from a number of different societies (Owolabi, 2007).

2.4.4 IMPLEMENTATION OF CSR IN NIGERIA

Limited liability companies in Nigeria give reports of their social responsibility efforts annually. These are in following major identifiable areas:

- a. The immediate environment of the company where the interest of the neighbours of the given companies are taken care of as much as is practicable.
- b. Locating worthy national or state activities to support. In this respect, educational, sporting and cultural activities are sponsored by companies as forms of social responsibility. Also, scholarships, training facilities, and other forms of support are often provided for students.

2.5 HISTORICAL BACKGROUND OF GUARANTEE TRUST BANK NIGERIA

Guarantee Trust Bank was incorporated as a limited liability company to provide commercial and other banking services to the Nigerian public in 1990. The bank commenced operations in February 1991, and has since then grown to become one of the most respected and service focused banks in Nigeria. Five years later, in September 1996, Guarantee Trust Bank plc became a publicly quoted company and won the Nigerian Stock Exchange Presidential Merit Award. In February 2002, the bank was granted a universal banking license and later appointed a settlement bank by the Central Bank of Nigeria (CBN) in 2003 (GTB, 2012). In December 2009, Guarantee Trust Bank once again set the pace by successfully completing the first tranche of its \$200 million dollar Corporate Bond – The first corporate bond in Nigeria for a very long while over the years, the bank has been a recipient of numerous accolades and commendations for exceptional service delivery, innovation, corporate governance, corporate social responsibility and management quality.

2.5.1 CSR effort in Guarantee Trust Bank**2.5.1.1 Support for African community**

On the wake of our recent entry into the international market, the Bank launched several strategic partnerships which include "Double Club" collaboration with PRADA S.A and the This day Music/Fashion festival aimed at promoting Africa to the International community. The "Double Club" collaboration undertaken in 2008 is a cultural integration partnership developed by artist Carsten Hoeller and sponsored by PRADA South Africa and GTBank. The initiative is a simultaneous display of African and European cultures to the international community. The "Double Club" as it is called is a bar, club and restaurant designed to showcase a medley of African and Western cultures using music, decor, art, food, culture or festival. It is an unequalled novel concept in the London environment.

2.5.1.2 Support for arts

Art has always been a part of Guaranty Trust Bank. The Bank has supported all forms and genres of Art since inception including music, painting, play, drama, poetry and exhibitions. The bank has an enviable art collection of over 700 painting and sculptures, most of which are displayed at our branches to the public as part of our architecture signature. In 2007, the Bank sponsored the first Nigerian "Living Masters" exhibition that featured the works of nine internationally recognized indigenous artists, most of them Masters of their craft.

3. CONCLUSION AND RECOMMENDATIONS**3.1 CONCLUSION**

This study distinguishes the effect of corporate social obligations on the Nigerian store cash banks. This shows corporate social obligation adds to a method for carrying on with a solid life in the group. An organization needs to offer back to the general public in which it works, tidy up all types of contamination it has brought about in its course of operation furthermore give infrastructural offices to the general public as a method for giving back and building up the general public. An organization can't advance decidedly in a retrogressing society.

3.2 RECOMMENDATIONS

In view of the discoveries of this study, it is hence suggested as takes after:

1. Corporate substances ought to intentionally incorporate both social and natural upliftment in their business rationality and operations.
2. Corporate social obligations ought to be seen by the firm as social commitments business concerns owe their shareholders, the nearby (host) group, overall population, clients, representatives and the legislature throughout working their genuine organizations, such that CSR ought to be incorporated into the law and implemented on the organizations as needs be.
3. Government ought to settle a base rate of benefit corporate firm ought to consume on corporate social obligation exercises.
4. It ought to be implemented that all types of contamination brought about by the corporate firm should be killed by them; by this all the news like Ogoni water spill and the flame and gas flare dirtying the air in the Niger Delta will be destroyed.
5. The keeping money industry ought to see every one of the issues in our general public as a business opportunity and attempt to discover answer for it and in the process they will find that the issues are only open door in mask. 6. At last, the general public ought to be instructed on this commitment which organizations in their surroundings owe them, and how to catch up their interest.
6. Finally, the society should be educated on this obligation which companies in their environment owe them, and how to follow up their demand, which serve as there right to demand a return on investment by the society.

REFERENCES

1. Adegboyega, O. and Taiwo, M. (2011). Contributions of Corporate Social Responsibility to Agriculture and Rural Development in Nigeria. *Journal of Sustainable Development in Africa*, 13(4): 1-126
2. Adeyanju, O. D. (2012). An assessment of the impact of corporate social responsibility on Nigeria society. *Universal Journal of Marketing and Business Research*, 1(1): 17-43. Akindele, A. I. (2011). Corporate social responsibility: an organisational tool for survival in Nigeria. *African Journal for the psychological study of social issues*, 19(2): 10-15.
3. Amaechi, K. M. (2009). *Corporate Social Responsibility in Nigeria: Western Mimicry or Indigenous Influence?* Research Paper Series SSRN.
4. Amaeshi, K. M., Bongo, C. A., Chris, O. and Olufemi, O. A. (2006). *Corporate Social Responsibility (CSR) in Nigeria. Western Mimicry of Indigenous practices.* Nottingham University Business School. International centre for corporate social responsibility. No. 392006 ICCSR Research Paper Series 1479-5124.
5. Amole, B. B., Adebisi, S. O. and Awolaja, A. M. (2012). Corporate Social Responsibility and Profitability of Nigeria Banks – A Casual Relationship. *Research Journal of Finance and Accounting*, 3(1): 6-17.
6. Auka, K. (2011). *Factors influencing the practice of Corporate Social Responsibility of financial institutions in Kenya.* Unpublished Ph.D Thesis. University of Kenya.
7. Chapple, W. and Moon, J. (2005). Corporate Social Responsibility (CSR) in Asia: a seven country study of CSR web site reporting. *Business & society*, 44(4): 415-439.
8. Clarkson, M. (1995). A stakeholder framework for analysing and evaluating Corporate Social Performance. *Academy of management review*, 20: 92-117.
9. European Union (2006). *Corporate social responsibility in the European Union*, 25th August 2006. Eu-business.
10. Gowon, Y. (2007). "Governance Challenges in Crisis and Post-Conflict Countries," Vienna, Austria, United Nations 7th Global Forum.
11. GTB. (2012). *GTBank declares #63billion profit at third quarter of 2012*, article published in Thursday newspaper online. July 12, 2012. www.GTBank.ng.com.
12. Irwin, D. E. (2000). The contributions of corporate social responsibility to agricultural and rural development in Nigeria. *Journal of sustainable development in Africa*, 13(4): 110-114.
13. Ite, U. E. (2004). Multinational and Corporate Social Responsibility in developing countries: A case study of Nigeria Corporate Social Responsibility and Environmental Management. *Journal of Management Sciences*, 11: 1-11.
14. Keffas, G. and Olulu-Briggs, O.V. (2011), Corporate Social Responsibility: How does it affect the financial performance of banks? *Journal of management and corporate governance*, 3(3): 8-26.
15. Nwachukwu, P. O. (2006). An approach to quality improvement of education in Nigeria through EFQM excellence model. *The African Symposium: An online Journal of Africa Educational Research Network*, 34(4): 7-14.
16. Olayinka, M. U. and Temitope, O. F. (2011). *Corporate Social Responsibility and financial performance in developing Economies-The Nigerian Experience.* New Orleans, New Orleans International Academic Conference, 815-824.
17. Osemene, O. F. (2012). Corporate Social Responsibility practices in mobile telecommunication industry in Nigeria. *European Journal of Business and Management*, 4(8): 149-150.
18. Owolabi, A. A. (2007). *Incorporating Environmental Costs into Nigeria Oil & Gas Accounting.* Unpublished Thesis. Obafemi Awolowo University.

CORPORATE REPORTING THROUGH XBRL**BHAVNA DABHI****RESEARCH SCHOLAR****P. G. DEPARTMENT OF BUSINESS STUDIES****NR. SARDAR PATEL UNIVERSITY****V. V. NAGAR****ABSTRACT**

XBRL International, developers of the XBRL Specifications and other specifications etc. relating to XBRL, best source of knowledge relating to XBRL today. XBRL International is actually a consortium of its members. And more accurately, of the 400+ member organizations and perhaps several hundred to a thousand or so employees of those organizations; this material comes from the "handful" of individuals who make most of the contributions to creating of XBRL. Companies can use XBRL to save costs and streamline their processes for collecting and reporting financial information. Consumers of financial data, including investors, analysts, financial institutions and regulators, can receive, find, compare and analyse data much more rapidly and efficiently if it is in XBRL format.

KEYWORDS

XBRL, corporate reporting.

BRIEF HISTORY OF XBRL

The history of XBRL starts with the beginning of XML. XML will be discussed briefly later, but for now, it is only important to know that XML 1.0 was released as a specification in February 1998. XBRL had its beginnings in April 1998 when the author of this book conceived of the idea of using XML to express financial statements and audit schedules after reading a book on XML in April 1998. From that point, the AICPA (American Institute of Certified Public Accountants) was approached to spearhead the introduction of what was to become XBRL to the world. The AICPA and Knight, Vale & Gregory, a CPA firm (now part of RSM McGladrey), funded an initial prototype of XBRL. The AICPA funded a business plan, several subsequent prototypes called XFRML (Extensible Financial Reporting Markup Language) and starting the XBRL International consortium. Even before the first XBRL consortium meeting, the AICPA leadership decided to pursue business reporting as a broader scope which was to include financial reporting, rather than limiting the scope to only financial reporting. In September 1999, the first XFRML consortium meeting took place. The consortium had 13 members at this point. Soon thereafter, the initial name XFRML was changed to XBRL once the name was determined by the consortium members. XBRL 1.0 was released in July 2000. The first taxonomy was also released at that time; Financial Reporting under US GAAP for Commercial and Industrial companies. Feedback was received which started the consortium down the path of creating something more extensible than was possible with XBRL 1.0. XML technologies were maturing and XML Schema was becoming available, as was XLink 1.0. XBRL 2.0 was released in December 2001. Extensive testing, including the creation of additional robust financial reporting taxonomies using XBRL 2.0 exposed some weaknesses in that specification. These weaknesses were addressed with the creation of XBRL 2.1 specification which was released in December 2003.

XBRL 2.1 was far superior to XBRL 2.0 for the following reasons:

- XBRL 2.1 had a conformance suite (which XBRL 2.0 did not) which helped software be truly interoperable; there were significant interoperability issues with XBRL 2.0.
- Unnecessary flexibility was removed from XBRL 2.0.
- The quality of the specification was significantly improved do to input from the conformance suite, creation of FRTA and the creation of FRIS.
- Fairly significant real world experience, gained through trying to make use of XBRL 1.0 and XBRL 2.0 improved upon those versions.

Today, XBRL 2.1 works, it is stable, and it can be used effectively in a closed, but more importantly also in an open system, effectively particularly when used with FRTA and FRIS are also used. Also, XBRL International desires to keep XBRL 2.1 stable and without change to at least 2007. This stability is important for both software vendors and business users.

WHAT IS XBRL?**AN INTRODUCTION TO XBRL**

XBRL is a language for the electronic communication of business and financial data which is revolutionising business reporting around the world. It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data.

XBRL stands for eXtensible Business Reporting Language. It is one of a family of "XML" languages which is becoming a standard means of communicating information between businesses and on the internet.

XBRL is being developed by an international non-profit consortium of over 600 major companies, organisations and government agencies. It is an open standard, free of licence fees. It is already being put to practical use in a number of countries and implementations of XBRL are growing rapidly around the world.

A SIMPLE EXPLANATION

The idea behind XBRL, eXtensible Business Reporting Language, is simple. Instead of treating financial information as a block of text - as in a standard internet page or a printed document - it provides an identifying tag for each individual item of data. This is computer readable. For example, company net profit has its own unique tag.

The introduction of XBRL tags enables automated processing of business information by computer software, cutting out laborious and costly processes of manual re-entry and comparison. Computers can treat XBRL data "intelligently": they can recognise the information in a XBRL document, select it, analyse it, store it, exchange it with other computers and present it automatically in a variety of ways for users. XBRL greatly increases the speed of handling of financial data, reduces the chance of error and permits automatic checking of information.

Companies can use XBRL to save costs and streamline their processes for collecting and reporting financial information. Consumers of financial data, including investors, analysts, financial institutions and regulators, can receive, find, compare and analyse data much more rapidly and efficiently if it is in XBRL format.

XBRL can handle data in different languages and accounting standards. It can flexibly be adapted to meet different requirements and uses. Data can be transformed into XBRL by suitable mapping tools or it can be generated in XBRL by appropriate software.

ADVANTAGES OF XBRL

Extensible Business Reporting Language (XBRL) is one of the Extensible Markup Language (XML) forms of communication. XBRL is a key way that information and data is transferred between companies on and off the Internet. Each piece of data is assigned an identification tag that allows blocks of facts and figures to be speedily transmitted across databases and websites. XBRL software packages include Dragon View, Interstate XWand and Mission Kit.

❖ Automated Data Processing

Extensible Business Reporting Language identification tags reduce and eliminate the need for employees to manually input data into software applications like Excel or Oracle for transfer to electronic tools such as a website or a blog. Because computers can read the identification tags easily there is no need to manually compare entered data. Data entry keying mistakes are quickly analyzed and highlighted automatically using XBRL.

❖ **Regulated Financial Reporting**

In May 2008, the Securities and Exchange Commission (SEC) voted to require all public companies to use XBRL to file their financial reports with the SEC's EDGAR database. It is anticipated that the change will provide investors and other government agencies with increased data integrity and uniformity. The change may also allow for increased transparency of public owned companies' financial records for view by investors. Over time this may help regulators to notice the widening of gaps in profits and losses and out of balance investment trends in tools such as bundled mortgage instruments.

❖ **Cost Savings**

An earlier tool used across the Internet that is similar to XBRL is HyperText Markup Language (HTML). Anyone who has used HTML knows how cumbersome the back-end tags can be. Prior to the SEC's ruling, many public companies filed their financial records with regulators using HTML, spreadsheets or Portable Document Format (PDF) which allowed for more errors and slower auditing of data. Combined, this equaled higher costs to send, receive, validate and audit the financial records. XBRL is expected to reduce these costs significantly. If these costs are transferred to investors, the financial savings generated by the new tool will be widely realized. Additionally, the tool is being developed by an international non-profit association of about 450 businesses, government agencies and organizations which allows for non-partisan input, recommendations and guidance.

❖ **Multi-Language Capability**

XBRL can read and understand data sent between various computers using different languages. The taxonomies and tags associated with the system are designed to be read by computers and not humans which allows for speedier multi-language data reads. Software and mapping tools allow businesses to transfer existing information into XBRL quickly and efficiently. Auditors around the world can devote more of their time to reviewing data received from another country rather than focusing on validating the accuracy of the information. Extensible Business Reporting Language can also read and understand data sent using multiple accounting standards.

❖ **Time Savings**

One of the largest benefits to be realized from using XBRL is time savings. For example, in the past it might take an hour to locate a specific piece string of data using an older tool; using XBRL it will take less than a second to locate the data. Because the system allows for automated machine-to-machine communication, accountants, data entry clerks, stock exchanges and auditors can receive and begin to review and study blocks of data at significantly reduced speeds. The time reduction will allow for increased focus on analysis which may prevent financial markets from shifting and turning down--absent the knowledge of regulators and other national and international government agencies.

❖ **Data Analysis**

Businesses can use software to automatically validate data electronically received through XBRL. The software can also analyze the data and spot high level problems that auditors and accountants can examine much deeper than they previously did. The deeper, more thorough analysis will equip business leaders with greater confidence to make financial decisions that impact their companies, the stock market and the global community. Additionally, banks and other financial institutions can analyze loan applications as well as a borrower's financial records more quickly and more accurately which may increase the approval of good loans and significantly lower the acceptance of loans to high risk borrowers.

DISADVANTAGES OF USING XBRL

Extensible Business Reporting Language (XBRL) was designed as a language to electronically communicate business and financial data instead of the more traditional ASCII or HTML formats. The SEC mandated that as of June 2009 all public companies over \$5 billion in assets must report financials using XBRL. XBRL uses an open-standard of creation and does not require licensing fees. A non-profit international consortium heads up development of XBRL. Despite its advantages, XBRL has disadvantages as well.

❖ **Inexperienced users**

Not all accountants have familiarity with XBRL; in fact, some have only heard of the language. XBRL's complexity combined with letting inexperienced users create data for transmission increases the opportunity for errors. These errors lead to a lack of confidence in the system and by investors. Because of this reason, many companies outsource the implementation of XBRL instead of letting in-house management information systems resources (MIS) manage the implementation. This outsourcing leads to increased cost and defeats the cost-cutting benefits associated with implementing XBRL.

❖ **Company transparency**

A big push for the use of XBRL involves financial transparency. XBRL takes away a company's ability to "hide" financial tricks in the books. Despite the fact that XBRL's design makes filing financial information easier, cheaper and faster, investors could find themselves digging deeper to determine the exact data reported.

❖ **Security**

Because XBRL data remains available at all times, it requires more security to maintain its integrity. These stricter security requirements not only affect security breaches initiated outside of the company's database, but security breaches from within the company as well. More accurate data makes XBRL a great tool, but it also means the data must remain secure. If a data breach occurs and investors gain access to the breached data (because of its constant availability) then inaccurate investment decisions could stem from the breach.

❖ **Cost**

The largest disadvantage remains cost. According to Malin, Bergquist and Company, LLP, "Although some experts say, over time, XBRL could lead to up to a twenty five percent decrease in reporting costs, some companies may find it difficult to justify the initial costs..." Unless a company has an automated tagging process, tagging XBRL data consumes hours of labor, increasing the cost associated with using the language.

WHY NOT JUST USE XML; WHY XBRL?

Comparing XBRL and XML is not really a fair comparison. XBRL is XML. XBRL is an XML language. XML is a specification for creating languages, by itself XML is not really anything until it is used to create something from it. XBRL has an XML Schema (or rather a set of XML Schemas), just like other XML languages. But XBRL goes further. XBRL goes above and beyond the rules which XML Schema can enforce. Specifics of this will be discussed later as part of a detailed comparison of native XML and XBRL. An entire section is devoted to answering the question "Why XBRL and not just XML" later in this material. In that section, we will compare XML and XBRL in detail, but first we want to explain a bit about XBRL so that the comparison will have more meaning.

XBRL AND CORPORATE REPORTING

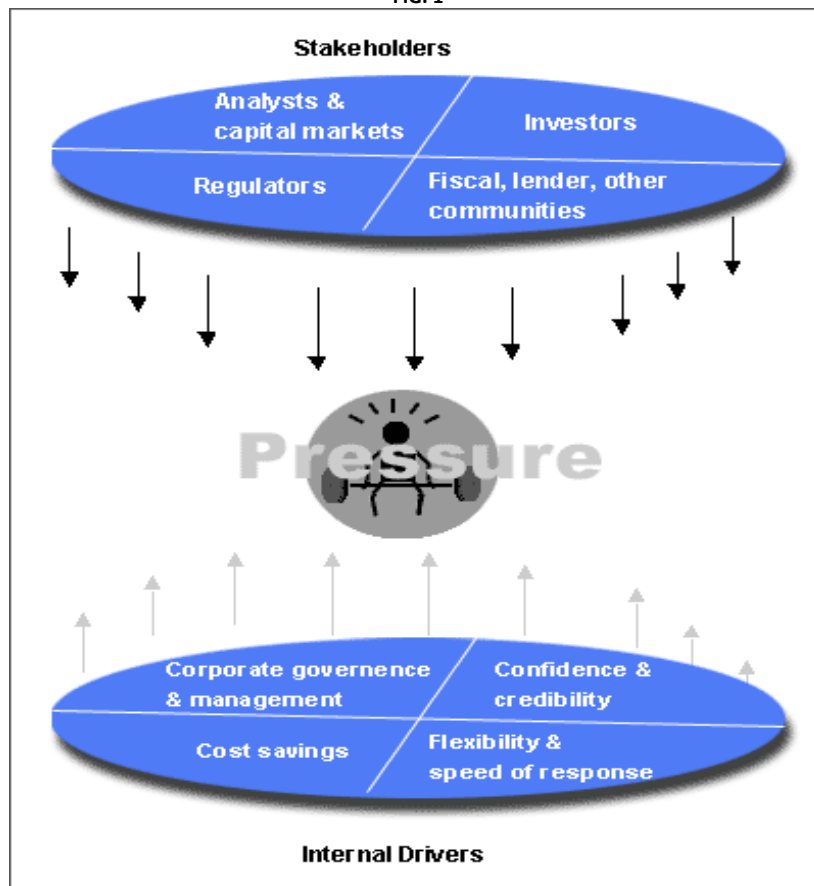
How will XBRL impact corporate reporting?

POTENTIAL BENEFITS TO CORPORATE STAKEHOLDERS

Pressure is not a new concept to the board and management of any company. And the burden is substantially increased by a poor economic climate coupled with ever-increasing demand for financial reporting that not only demonstrates data integrity but also provides transparent and usable information.

Digital reporting, and XBRL in particular, cannot relieve all the resulting stress, but it is already demonstrating the potential to deliver benefits to many of the producers and users of business information.

FIG. 1



❖ STAKEHOLDERS

All corporate stakeholders will be affected in different ways by the introduction of digital reporting. Some effects are generic, such as the potential for real-time reporting and the ability to make comparisons, aggregate or consolidate, extrapolate trends, or simply analyze for exceptions and differentiators. Others, which may well represent the real drivers in the short term, provide solutions or partial solutions to issues specific to particular groups of stakeholders. Click on the links in the graphic to explore these stakeholders more closely.

❖ INTERNAL DRIVERS

Many other pressures faced by companies today come from inside the organization. Some areas in which digital reporting can make a substantial impact are included in the lower portion of the graphic. Click on the links in the graphic to explore them more closely.

XBRL IN INDIA

In India XBRL Jurisdiction is with ICAI. It has formed XBRL India. XBRL India is a Company registered under Section 25 of Companies Act, 1956, incorporated for managing the affairs of Indian Jurisdiction of XBRL International. XBRL International is comprised of Jurisdictions which represent countries, region or international bodies and focus of XBRL in their area. XBRL Indian Jurisdiction is an established Jurisdiction of XBRL International. Its objectives are:

- To promote and encourage the adoption of XBRL in India as the standard for electronic business reporting in India
- To facilitate education and marketing of XBRL
- To develop and manage XBRL taxonomies
- To keep the developed XBRL taxonomies updated with regard to international developments
- To represent Indian interests within XBRL International
- To contribute to the international development of XBRL

(Please note our organization is no way related to official XBRL India and we do not represent them.)

APPLICABILITY OF XBRL IN INDIA

It has been decided by the Ministry of Corporate Affairs to mandate certain class of companies to file balance sheets and profit and loss account for the year 2010-11 onwards by using XBRL taxonomy. The Financial Statements required to be filed in XBRL format would be based upon the Taxonomy on XBRL developed for the existing Schedule VI, as per the existing, (non converged) Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

REFERENCES

1. <http://www.xbrl.org/Specification/inlineXBRL-part1>
2. <http://www.xbrlwiki.info/index>
3. <http://www2.xbrl.org/in/>
4. <http://www2.xbrl.org/in/frontend.asp>

INTELLECTUAL PROPERTY AND MORAL RIGHTS

ARPITA NARAYAN

STUDENT

NATIONAL UNIVERSITY OF STUDY & RESEARCH IN LAW

RANCHI

ABSTRACT

The study finds that in both national laws and international agreement, the clear global trend is towards greater recognition of Moral Rights for a broad range of creative works. A consideration of Moral Rights on the international scene reveals a pervasive dilemma. On the one hand, awareness of authors' moral interests, particularly in the environment of new technologies, appears to be mounting. On the other hand, international negotiators seem to have reached a stalemate in their efforts to develop a harmonization program specifically for Moral Rights. The hullabaloo over authors' moral interests runs deep. Clarification of this characteristic of intellectual rights at the international level will require the resolution of complex and fundamental conflicts which are divergent legal traditions, the appropriate social role of creative authorship, and the very logic of internationalization, itself. In spite of the need for caution, there is encouraging evidence that Moral Rights are seen by many countries as a valid and useful means of protecting culture. The flexibility and range of the doctrine has been proven through diverse legislative and judicial treatments. At a time when culture is at once most vulnerable and most vital, every means of helping it to flourish must be fully explored. The challenge of international efforts will be to achieve recognition for Moral Rights while allowing the doctrine to continue to grow and change as the international legal community becomes ever more diverse. The Moral Rights development in India depends maintenance of great flexibility towards the continuously shifting social equilibrium in cultural sphere. Encouragement of individual creativity is a close corollary of modernization. The protection of author's Moral Rights is to stabilize the position of creators in conditions of general poverty and situations of uncertainty. Arguably, India has better prospects in pursuing in this area of potential growth. initiative at both the international and domestic spheres, needs simultaneous execution. What needs to be understood and imbibed is the already existing jurisprudence of the Berne Convention which foresaw the interdependent nature of economic and Moral Rights and obligations while somehow renegotiating politically sound but logically impaired initiatives like the non-conformity clauses in TRIPS which have the effect of forestalling domestic initiative. With the greater than before acceptance of Moral Rights for creative works, including music, in common law nations, such as the U.K.'s new Performances Regulation, India has both challenges and opportunities on the international Moral Rights front.

KEYWORDS

intellectual property, moral rights.

INTRODUCTION

Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author¹

Intellectual property Law ensures and preserves the economic interest of their creators, but for creative individuals in addition to the pecuniary rights, it is the Integrity of the Work and the Paternity of the Work that requires protection. These rights in whole are called MORAL RIGHTS. The term Moral Rights denotes the non-pecuniary personal involvement of creator in his work, beyond the scope of commercial/financial interest.

Much influenced by the Kantian and Hegelian belief that authors retain general rights of personality that should survive market exploitation of the external work, civil law traditions provide extensive Moral Rights protection.²

The Berne Convention (Article 6bis) provides: "Independently of the author's economic rights, and even after the transfer of said rights, the author shall have a right to claim the authorship of the work, and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation." It requires member countries to grant to authors:(i) the right to claim authorship of the work which is right of paternity and (ii) the right to object to any distortion or modification of the work, or other deprecating action in relation to the work, which would be prejudicial to the author's honor or reputation, (right of integrity). The Convention necessitates the owner to be independent of the author's economic rights, and to continue with the author even after transferring of economic rights.

Moral Rights laws always are in a vibrant source of scholarly controversy. Some critics advocate the expansion of the right whereas others chafe any expansion and advocate the scaling back to already existing Moral Rights. An author in chorus, exercises economic rights and Moral Rights in relation to his intellectual creation and it is the only case of coexistence of both over the same object. This simple coexistence results in a close relationship between both the rights, where exercise of economic rights may be influenced by Moral Rights. Regulation of the author's Moral Rights emphasizes that the entire system of regulations in the area of intellectual property has not been set for the enhancement of the commerce with new intangible assets but to protect the authors who are part of the international commerce.

The rise of digital technology has made authors' moral interests particularly susceptible to disregard, infringement and abuse. The continued relevance of Moral Rights will depend upon the awareness of the public and their support that is ever more closely involved in the creative work of authors and artists. The impact of internationalization on Moral Rights should therefore be assessed in light of the special prospects and challenges for creative expression in the Digital Age.³

KINDS OF MORAL RIGHTS

Moral Rights are a continental concept of European. According to this concept there are mainly three rights:

1. *Droit a law Paternity* (The right to Paternity): this right bestows author the right of authorship of his artistic or literary work. Author may prevent others from using his name in their works.
2. *Droit Respect de l'oeuvre* (The right of integrity): this bestows the author the right to prevent alternation, mutilation or distortion and other action that may dent the author's honor or reputation. This right arises in the case of assignment and after assignment when any person who creates such form of distortion or mutilation which is against author's reputation or honor.

¹ Universal Declaration of Human Rights, Article 27(2)

² For a Kantian approach to copyright, see Kim Treiger-Bar-Am, Kant on Copyright: Rights of Transformative Authorship, 25 CARDOZO ARTS & ENT. L.J. 1059, 1062 (2008) ("Kantian theories can be used to illuminate the theoretical justifications for an authors' rights perspective on copyright in the United States and United Kingdom.").

³ The essential role of the public in maintaining the viability of copyright in an environment dominated by digital technology is pointed out by JAL Sterling "Philosophical and Legal Challenges in the Context of Copyright and Digital Technology" (2000) 31:5 IIC 508, 525. The importance of public support for protecting Moral Rights, in particular, is explored in detail in M Sundara Rajan "Moral Rights in the Digital Age: New Possibilities for the Democratization of Culture" (Jun 2002) 16 Int'l Rev L, Computers & Tech (forthcoming).

RELATION BETWEEN PROTECTION INTELLECTUAL CREATIONS AND FREEDOM OF COMMERCE ETC.

Justification of author's Moral Rights substantiation in intellectual property regulation is unswervingly related to the relation between protection of authors' intellectual creations, on the one hand, and freedom of ideas, freedom of commerce, freedom of access to research, freedom, freedom to knowledge of expression and information, on the other hand⁴. In terms of values protected by the legal system, the interests of the author are in contradiction to the interests of other legal subjects that will take advantage of and enjoy the intellectual creation base on the above mentioned right to freedoms. However, this contradictory position is more theoretical or potential because, in practice, there is often a query of identifying the rapport between the author of intellectual creation and other persons he enters into contractual relations with, and thus acquire the right to use the intellectual creation.

Regulation of author's Moral Rights emphasizes the fact that author's status and person take precedence over others who have acquired or claim a right over it, the creation which is protected, having an intrinsic value, closely related to the author's person, autonomously of his social exploitation, including distribution.

KIND OF PROTECTION THAT COPYRIGHT GRANTS

Copyright usually reflects two sets of interests which are Economic Rights and Moral Rights. The Economic Rights of the author enable him to earn a living from his work. Copyright thus endows the author the exclusive right to authorize others to use his work under agreed terms and to take action against not permitted uses. Economic rights are acknowledged by copyright laws worldwide and generally cover all relevant commercial activities. The authors characteristically have also a *non-pecuniary* interest in his work, markedly to decide if their works should be made open at all, to claim authorship, and to object to any use of the protected work that can be prejudicial to the work's integrity. These prerogatives are referred to as the author's 'Moral Rights'. These Moral Rights constitute characteristic of the civil law tradition. Other legal systems, such as of common law countries, protection may be granted for such rights on a legal basis outside of copyright, for instance under tort, unfair competition and contract law.

REMEDIES WHEN RIGHTS ARE INFRINGED OF THE RIGHT OWNER

The owner whose right have been infringed may resort to the civil remedies by the respective National law to make the unlawful doings stop and to get compensated for the prejudice suffered. the Court may make the infringer thwart his illegal activities by means of an Injunction. If the activity which is leading to infringement has caused financial loss to the right owner, the court may also be asked to reward damages, including punitive or exemplary damages.

POSITION OF MORAL RIGHTS IN EUROPEAN UNION

In the international drive towards the standardization of copyright norms, one feature of copyright law remains noticeably exempt. This is the area of *droit moral*, or "Moral Rights," which offers legal protection for the individual, moral interests of authors and artists in their works. The international recognition of the Moral Rights of authors is found on Article 6bis of the Berne Convention of 1971. It is generally undisputed that France has offered the most advanced protection of Moral Rights, including the rights of resale royalties, retraction, integrity, attribution, and disclosure, as well as protections against misattribution, excessive criticism, and attacks on the creator's personality.⁵ Moral Rights in the U.K. did not develop as readily as their French counterparts, likely due to differences between the early legal systems in the U.K. and France. The 1709 Statute of Anne was the first codified copyright law that established an author's ownership of a creation for a fixed term.⁶ Moral Rights have generated constant international controversy, and efforts to harmonize protection have been consistently unsuccessful. International copyright standards have chiefly been developed through three distinct processes: the TRIPs/WTO system, the World Intellectual Property Organization (WIPO)⁷ and the Copyright Harmonization Directives of the European Union, whose international influence exceeds their regional effects.⁸ From ancient Greece to Renaissance Italy and 19th century France, the Moral Rights of artists are a European tradition. The first legal recognition of Moral Rights dates back to the decision of the civil court of the Seine in 1814⁹. In 1967, participants revised the Berne Convention to protect certain Moral Rights after the death of the author, extending the protections until the economic rights in the work expired.¹⁰

Moral Rights in the Berne Convention in 1928 were introduced, they have not subsequently been dealt with unswervingly in international processes for harmonizing or standardizing copyright law, but Moral Rights have in a sense become "internationalized" through a different dynamic. There is no European Union legislation covering the Moral Rights of artists. Indeed, the European legislator, when regulating economic rights, has left this side of copyright to the Member States.¹¹

The concrete presence of Moral Rights on the international copyright scene suggests a degree of international consensus regarding Moral Rights, that it should be protected. A widely-acknowledged reason for hesitation about Moral Rights has been a extent of concern about their economic effects and the common-law countries have been most fearful about the practical consequences of pioneering protection for Moral Rights into systems that traditionally emphasize economic rights. Copyright harmonization in the EU, and standardization in TRIPs, are primarily commercial undertakings, whose main purpose is to facilitate the free flow of information, knowledge and culture across borders for economic purposes. They are based on the principle of reducing the costs and inconveniences arising out of inconsistent standards of protection in different jurisdictions. The most powerful members of the EU, France and Germany, are the heartland of Moral Rights doctrine and involves a much greater potential for developing a Europe-wide appreciation of Moral Rights. In spite of this commitment at the level of policy, and an apparently more favorable regional environment in which to develop Moral Rights, The EU has not made significant progress in harmonization. In 1988, the United Kingdom recognized Moral Rights independently when it passed the Copyright, Designs and Patents Act ("CDPA").¹²

INDIAN POSITION ON MORAL RIGHTS

Provision related to Moral Rights has been given Indian Copyright Act, 1957 as well. These rights are parallel and independent of the author's economic rights. The Moral Rights of a work can even remain with the creator after their death. This provision closely reflects the provision of Article 6bis of the Bern Convention.

⁴ Olteanu, E., G., (2010) – Copyright and Technological Progress in The Romanian Journal of Intellectual Property Law, 7th year, no. 2

⁵ Kwall, supra note 2, at 12; Lee, supra note 20, at 803-04; Liemer, supra note 2, at 46 n.30; Susan P. Liemer, How We Lost Our Moral Rights and the Door Closed on Non-Economic Values in Copyright, 5 J. MARSHALL REV. INTELL. PROP. L. 1, 7-8 (2005); Swack, supra note 48, at 364 n.24; Zabatta, supra note 15, at 1104. See supra notes 38-41 and accompanying text

⁶ The Statute of Anne, 1710, 8 Ann., c. 19 (Eng.), available at <http://www.copyrighthistory.com/anne.html>. See also Holland, supra note 128, at 223.

⁷ The most important recent initiatives of WIPO are the WIPO Copyright Treaty (n 1 above), and the WIPO Performances and Phonograms Treaty, adopted by the Diplomatic Conference on December 20, 1996 [hereinafter WIPO Performances Treaty]. Available online: WIPO Collection of Laws for Electronic Access (n 1 above).

⁸]The European Union has adopted six copyright harmonisation directives to date: the Computer Programs Directive (n 1 above); Council Directive 92/100/EEC of 19 November 1992 on rental right and lending right and on certain rights related to copyright in the field of intellectual property (27/11/1992), OJ L346/61; Council Directive 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission (06/10/1993), OJ L248/15; Council Directive 93/98/EEC of 29 October 1993 harmonising the term of protection of copyright and certain related rights (24/11/1993), OJ L290/9; Databases Directive (n1 above); and Directive 2001/29/EEC of the European Parliament under the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (22/06/2001), OJ L167/10. The directives are all available online through the EU database of Community Legislation in Force, Eur-Lex: < (date accessed: March 19, 2002).

⁹ F. Fouillard, Le droit moral de l'auteur en droit français, Université Jean Moulin – Lyon III, 2003.

¹⁰ Sheila J. McCartney, Moral Rights Under the United Kingdom's Copyright, Designs and Patents Act of 1988, 15 COLUM.-VLA J.L. & ARTS 205, 210 (1991).

¹¹ B. Navarre, Législation communautaire et droits des artistes interprètes, Dissertation, Université Libre de Bruxelles, 2009.

¹² Jennifer B. Pfeffer, The Costs and Legal Impracticalities Facing Implementation of the European Union's Droit de Suite Directive in the United Kingdom, 24 NW. J. INT'L L. & BUS. 533, 552 (2004).

The language in section 57 is of wide propensity and includes not just literary works but also visual and audio manifestations, is for the protection of two Moral Rights:

- The authors right of attribution, and
- his right to the integrity of his work.

1. THE RIGHT OF ATTRIBUTION/PATERNITY

The right of attribution or the right of paternity is the right of owner to claim authorship/ownership of their works. It aims to determine whether and how the name of the owner shall be affixed to the work. Three separate albeit related positions have been established. First, that it is the owners right to be made known to the public at large as the creator of the work. If the owner so desires, the name must appear on all copies in addition to advertising and other publicity for the work. Second, that an author can thwart others from usurping the work by naming another person as the author. This, in a way, permits the author to prevent the plagiarism of the work. Finally, an owner of a copyrightable work can prevent others from wrongfully attributing to him a work he has not done. Moreover, this protects the author from false attribution of authorship and from being named as the author of a work that has been mutilated.

2. THE RIGHT TO INTEGRITY

The right of integrity has been called the most essential moral right. The concept of the right to integrity is that since the work of art is an expression of the artist's personality so misrepresentation, dismemberment or distortion, of the work mistreats an expression of the artist's personality, affects the identity of the artist, his personality and honor, and thus impairs a legally protected personality interest. This right provides owners with a right to forbid modifications of their works devoid of their consent regardless of whether the alteration would negatively impact or objectively perk up the work.

In *Amarnath Sehgal v. Union of Indian & others*¹³, the Hon'ble Court provided remedy for infringement of the special rights or Moral Rights of the owner. It was held in this case that copyright is a bundle of rights, which the author can exploit, independently for economic benefit any exercising these rights.

Section 57, in the vein of Article 6bis, provides for the protection of the above mentioned two rights. A finding that the authors right of integrity has been violated depends upon finding damage to the owner's honor or reputation, mistreatment of the work is not prima facie an infringement, as the Indian law is unclear if artistic work should be determined by objective criteria or subjectively, as per the authors own perception of alteration and impact on his reputation. The commissioner's right of privacy in respect of photograph or film made for private and domestic purposes.

Under section 57 of Indian copyright, an author has the right to claim the authorship of the work. He has also right to for restraining the infringement or to claim damages under section 55. The special protection of the copyright can be claimed even after the assignment of the copyright. The scope of protection for the right of integrity under sec 57 exceeded the extent of the right of integrity under art. 6bis and makes specific remedies available to the author in case of a violation of his Moral Rights, and is applicable only to those situations where the treatment of the author's work causes prejudice to his honor and reputation.

The court has taken view in the case of *Mannu Bhandari v. Kala Vikas Pictures Ltd.*¹⁴ where the dispute related to author's moral right came before the court. In this case the plaintiff, Mannu Bhandare, author of Hindi novel 'Aap ka Bunty', assigned some rights which in turn raised objection as to the title of the movie which was resolved by the parties. In the novel, at the end, the child is admitted in hospital by his natural father while in the movie it was showed that the child died due to starvation, and the author claimed that it was against her integrity and honor. It was held that subject to the provisions of section 5, the contract of assignment has to be read. It held that the remedy of a restraint order or damages can be claimed even after the assignment of either wholly or partially of the said damages. Further, it was held that the terms of the contract of assignment of the copyright is evidently overridden by the section 57 of the Copyright Act.

Section 57(I) (c) prohibits any kind of distortion or mutilation of the authors work. Furthermore, Section 27 provides the bundle of rights, which are in tune with the international treaties & agreements.

In the case *K.P.M.Sundaram v. Rattan Prakashan Mandir*¹⁵, suit was instituted against the defendant's for injunction restraining them from prompting, publishing and the specified books, accounts and rendition for the illegal increase made by the defendants for all unauthorized publications and for damage under the provisions of sections 5 and 57. The plaintiff had granted sole and exclusive right to publish, print and trade the work. Prima facie it was held that it did not assign the copyright but created a revocable license in favor of defendants to publish and sell the works and the balance of favor to show the same. The defendant was thus restrained from publishing, printing and selling the plaintiff till the disposal of suit.

Describing the aspects of Moral Rights protect the interest of the owner in maintaining their reputation and standing. In India, the ruling and statues of the courts indicate the presence of the right of integrity and paternity rights only as Moral Rights. Though the legislation in this regard has been restricted in the Indian statute on copyright, the Hon'ble Courts are favoring a wider interpretation of these rights.

CONCLUSION

In both national laws and international agreement, the clear global trend is towards greater recognition of Moral Rights for a broad range of creative works. A consideration of Moral Rights on the international scene reveals a pervasive dilemma. On the one hand, awareness of authors' moral interests, particularly in the environment of new technologies, appears to be mounting. On the other hand, international negotiators seem to have reached a stalemate in their efforts to develop a harmonization program specifically for Moral Rights. The hullabaloo over authors' moral interests runs deep. Clarification of this characteristic of intellectual rights at the international level will require the resolution of complex and fundamental conflicts which are divergent legal traditions, the appropriate social role of creative authorship, and the very logic of internationalization, itself. In spite of the need for caution, there is encouraging evidence that Moral Rights are seen by many countries as a valid and useful means of protecting culture. The flexibility and range of the doctrine has been proven through diverse legislative and judicial treatments. At a time when culture is at once most vulnerable and most vital, every means of helping it to flourish must be fully explored. The challenge of international efforts will be to achieve recognition for Moral Rights while allowing the doctrine to continue to grow and change as the international legal community becomes ever more diverse. The Moral Rights development in India depends maintenance of great flexibility towards the continuously shifting social equilibrium in cultural sphere. Encouragement of individual creativity is a close corollary of modernization. The protection of author's Moral Rights is to stabilize the position of creators in conditions of general poverty and situations of uncertainty. Arguably, India has better prospects in pursuing in this area of potential growth.

initiative at both the international and domestic spheres, needs simultaneous execution. What needs to be understood and imbibed is the already existing jurisprudence of the Berne Convention which foresaw the interdependent nature of economic and Moral Rights and obligations while somehow renegotiating politically sound but logically impaired initiatives like the non-conformity clauses in TRIPS which have the effect of forestalling domestic initiative. With the greater than before acceptance of Moral Rights for creative works, including music, in common law nations, such as the U.K.'s new Performances Regulation, India has both challenges and opportunities on the international Moral Rights front.

REFERENCES

1. Universal Declaration of Human Rights, Article 27(2)
2. For a Kantian approach to copyright, see Kim Treiger-Bar-Am, Kant on Copyright: Rights of Transformative Authorship, 25 CARDOZO ARTS & ENT. L.J. 1059, 1062 (2008) ("Kantian theories can be used to illuminate the theoretical justifications for an authors' rights perspective on copyright in the United States and United Kingdom.").

¹³ Delhi High Court 2005 PTC (30) 253

¹⁴ AIR.1987 Del 13

¹⁵ AIR.1983 Del. 461

3. The essential role of the public in maintaining the viability of copyright in an environment dominated by digital technology is pointed out by JAL Sterling "Philosophical and Legal Challenges in the Context of Copyright and Digital Technology" (2000) 31:5 IIC 508, 525. The importance of public support for protecting Moral Rights, in particular, is explored in detail in M Sundara Rajan "Moral Rights in the Digital Age: New Possibilities for the Democratisation of Culture" (Jun 2002) 16 Int'l Rev L, Computers & Tech (forthcoming).
4. Olteanu, E., G., (2010) – Copyright and Technological Progress in The Romanian Journal of Intellectual Property Law, 7th year, no. 2
5. Kwall, supra note 2, at 12; Lee, supra note 20, at 803-04; Liemer, supra note 2, at 46 n.30; Susan P. Liemer, How We Lost Our Moral Rights and the Door Closed on Non-Economic Values in Copyright, 5 J. MARSHALL REV. INTELL. PROP. L. 1, 7-8 (2005); Swack, supra note 48, at 364 n.24; Zabatta, supra note 15, at 1104. See supra notes 38-41 and accompanying text
6. The Statute of Anne, 1710, 8 Ann., c. 19 (Eng.), available at <http://www.copyrighthistory.com/anne.html>. See also Holland, supra note 128, at 223.
7. The most important recent initiatives of WIPO are the WIPO Copyright Treaty (n 1 above), and the WIPO Performances and Phonograms Treaty, adopted by the Diplomatic Conference on December 20, 1996 [hereinafter WIPO Performances Treaty]. Available online: WIPO Collection of Laws for Electronic Access (n 1 above).
8.]The European Union has adopted six copyright harmonisation directives to date: the Computer Programs Directive (n 1 above); Council Directive 92/100/EEC of 19 November 1992 on rental right and lending right and on certain rights related to copyright in the field of intellectual property (27/11/1992), OJ L346/61; Council Directive 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission (06/10/1993), OJ L248/15; Council Directive 93/98/EEC of 29 October 1993 harmonising the term of protection of copyright and certain related rights (24/11/1993), OJ L290/9; Databases Directive (n1 above); and Directive 2001/29/EEC of the European Parliament under the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (22/06/2001), OJ L167/10. The directives are all available online through the EU database of Community Legislation in Force, Eur-Lex: < (date accessed: March 19, 2002).
9. F. Fouilland, Le droit moral de l'auteur en droit français, Université Jean Moulin – Lyon III, 2003.
10. Sheila J. McCartney, Moral Rights Under the United Kingdom's Copyright, Designs and Patents Act of 1988, 15 COLUM.-VLA J.L. & ARTS 205, 210 (1991).
11. B. Navarre, Législation communautaire et droits des artistes interprètes, Dissertation, Université Libre de Bruxelles, 2009.
12. Jennifer B. Pfeffer, The Costs and Legal Impracticalities Facing Implementation of the European Union's Droit de Suite Directive in the United Kingdom, 24 NW. J. INT'L L. & BUS. 533, 552 (2004).
13. Delhi High Court 2005 PTC (30) 253
14. AIR.1987 Del 13
15. AIR.1983 Del. 461

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Computer Application & 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

