INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

IJRCM

CONTENTS

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

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

http://ijrcm.org.in/

ii

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT   iii

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

http://ijrcm.org.in/

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We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications;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.aeaweb.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.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT   vii

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

http://ijrcm.org.in/

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

ADOPTION OF INTERNET BANKING IN INDIA: A COMPARATIVE STUDY BETWEEN RURAL AND URBAN BANKING CUSTOMERS

SHIVANGI AGARWAL

VISITING FACULTY

ICFAI UNIVERSITY

JAIPUR

Dr. RAJESH KOTHARI

PRESIDENT

ICFAI UNIVERSITY

JAIPUR

ABSTRACT

Internet banking has transformed retail banking scenario in India. Banks are acknowledging the technological change, and are in the process of rolling online and mobile services. The adoption of Internet banking is gaining pace with the increase in internet and mobile penetration. But whether this adaptability differs between the banking customers of urban and rural areas is a big question and this study intended to bring out if there is any difference in pattern of usage of Internet banking among rural and urban customers. The study also investigates the customer perception towards internet banking services and identifies the main factors affecting the usage or adoption of internet banking. The study is conducted on a qualified sample of 210 customers through a structured questionnaire in urban areas of Jaipur and Meerut and nearby rural areas. The results of the study indicate that there is difference in usage level of internet banking in rural and urban areas and factors like language barriers, education level, and lack of technical knowledge are responsible for this divide. However, the study reflects that the customers from both the areas have positive perception for internet banking services which have implications for the banks that its usage can be increased in both the areas with more awareness and better service to the customers.

KEYWORDS
internet banking, online banking, rural areas, urban areas.

JEL CODES
G21, L86.

1. INTRODUCTION

The advent of personal computers and Internet technology has changed the lifestyle of consumers. Consumers now demand convenience, innovation, time saving services. Various factors such as increase in level of literacy, rising income, growing technology acceptance and high internet availability has spurred the demand for Internet banking. This demand from tech savvy customers of new level of services has mandated banks to use technology in delivering the expected services to customers. Banks in last two decades has introduced various technological innovations like on spot transactions (RTGS/NEFT), ATM, internet banking, mobile banking etc to provide branch less banking to customers. "Internet banking has emerged as the biggest focus area in the "Digital transformation" agenda of banks. In India, more than 30% electronic transactions are happening through Internet banking. With further increase in internet and mobile penetration, there exists is a huge scope of migration of customers to internet banking."(EY report, Banking on technology, 2014)

The transition from brick and mortar structure to click and order in India started with the evolution of information Technology in 1990s. The Rangarjan committee in 1983 recommended the mechanization of banks in India. But the Indian Banking Industry was mostly dominated by public sector banks till 1990s and it was suffering from inefficiency, eroding productivity, increasing NPAs, poor customer service and was unable to meet the challenges of increasing demand and competitive environment. They could not adopt much automation due to many impediments. To improve the efficiency and competence of Indian banking industry the government appointed a Committee on Financial System under the chairmanship of former RBI governor M. Narasimhan. The recommendations of the committee included, among others, free entry of private sector/foreign banks. These private sector banks brought with them high end technology and innovation and leveraged its use to change the traditional banking patterns. Moreover, the IT revolution during 1990s gained momentum with the advent of Internet and personal computers and gave an upswing to the use of IT in financial sector. The use of technology by private banks forced Indian banks to adapt the technological advancement to achieve competitiveness and customer retention. The public sector banks decided to go for complete automation and achieved it by late 2000. The implementation of core banking solution has given banks a strong launch pad to offer various services through various alternate channels such as ATM, internet, mobile, kiosks, call centers etc.

The first major breakthrough in technology innovation in banking service was the introduction of ATM (Automated Teller machines) in 1987 by HSBC. The traditional branch format of service delivery to customers was strengthened with additional delivery channels like Automated Teller machines (ATM).The objective was to provide customers with any time access to their money for their convenience and to migrate customers from traditional banking channels to alternate channels. Then with increasing penetration of internet, banks introduced internet banking (Sethuraman et al. 2016). ICICI was the pioneer in introducing internet banking to its customers in 1996. Internet banking (IB) is a radical technological innovation with potential to change the structure and nature of banking. To sustain business competitiveness, more and more banks are transforming from their traditional approach of "bricks and mortar" into a "clicks and mortar" one under the recent emergence of electronic commerce and business (Safeena et al. 2011).

Internet banking is now used as the term for new age banking system. Internet banking is defined as the use of the Internet to deliver banking activities such as funds transfer, paying bills, viewing current and savings account balance, paying mortgages and purchasing financial instruments and certificates of deposits. Internet banking is also called Online banking, e– payment and e–banking (Singhal and Padhmanbhan, 2008). Internet banking enables a customer to do banking transactions through the bank website on the Internet. This is also called virtual banking. It has changed the traditional way of banking. Through internet banking customers do not need to visit branches and can do all banking related transactions from anywhere. There is faster delivery of information from the customer and service provider, thus differentiating Internet enabled electronic banking system from the traditional banking operation (Singhal and Padhmanabhan, 2008). Indian customers are embracing technology and digital banking is making its way into the lifestyle of people. Potential benefits outlined by Gaikwad et al. (2014) include easy to operate, easy monitoring of transactions, 24 hrs availability, faster than traditional banking, very user friendly, offers new features and services and convenient.

The shift towards internet banking is fuelled by the changing dynamics in India. By 2020 the average age of India will be 29 years and this young consumer base is internet savvy and wants real time online information. Indian banks therefore need to aspire high and move toward implementing a world class internet banking capability. "According to EY survey, *Urban areas had a total of 205 million internet users in October 2013 that accounts for 40% yoy growth, while rural India have 68 million users and a growth rate of 58% yoy.* Cell phone penetration has reached almost 85% and the rise of the middle class has increased the number of households with internet connectivity." (EY report, Banking on technology, 2014)

Moreover, recently, to improve digital advancement in India, several initiatives have been taken by government and RBI. RBI has taken multiple efforts to promote electronic payments such as RTGS/NEFT platform, establishing NPCI as umbrella organization for electronic payments, payment and settlement Act to regulate e payments and promoting pre paid payment instruments. The government has initiated Digital India campaign to provide all government facilities to people electronically by increasing internet connectivity and digitally empowering its citizens. RBI also recently introduced Small and payment banks with mandated adoption of technology focused business model to improve financial inclusion in India.

Despite of growth in number of registered customers of internet banking, its transactions still ranges between 2% and 8% of overall number of banking transactions across all channels for Indian banks. There are several reasons for low adoption rate like low access to internet, cash addiction, low technological awareness, fear of transacting online, low literacy levels. There is a difference between the socio-economic profile of urban and rural customer in India such as literacy gaps, income differences, technological availability etc which might affect the adoption of Internet banking. This study primarily aims at examining whether there is any difference between usage of Internet banking in rural and urban areas and identify factors leading to the differences. The study further examines the perception towards Internet banking in rural and urban areas.

2. LITERATURE REVIEW

The following earlier studies have been conducted by various researchers in the area of consumer attitude of internet banking user. A review of these studies will enable us to find out research gaps that exist and determine the direction in which research can be taken.

Gaikwad N. M. (2014) threw light on the development and adoption of online banking in India. The study explained the complete process required to be followed by customers to avail Internet banking services. It further studied the major advantages and disadvantages of online banking as compared to traditional "Brick and mortar' banks. It emphasized that online banking helps in less use of paper so we call it 'Paperless Banking'.

Shilpan Vyas (2012) outlined various functions, types, advantages and limitations of Internet banking from customer perspective. It analyzed the impact of introduction and adoption of Internet banking on traditional banking services and studied that though traditional banks are finding it difficult to cope with new technology but are making continuous efforts to provide new service to its customers.

Jayshree chavan (2013) studied the status of Internet banking adoption in India and explained benefits of IB as time saving, quick access to information, convenient and speedy. He identified various challenges that act as hindrance in adoption of IB in an emerging country which included lack of infrastructure, lack of public support, perceived risk, security and regulatory challenges. He concluded that compared to developed countries, developing countries face many impediments that affect the successful implementation of e banking initiatives.

Singhal and Padhmanabhan (2008) conducted a survey of 80 people to find the customers perception on various internet application related with Internet banking. He found that factors like utility request, security, utility transaction, ticket booking and fund transfer are important applications of IB that leads to its adoption. Major of the respondents agreed that IB is convenient and flexible and have transaction related benefits as well.

Safeena et al. (2010) studied the consumers perspective on internet banking adoption. Study shows that perceived usefulness and perceived ease of use have positive effect on the use of IB while perceived risk has negative effect on it. Although IB provides flexibility and is fast and easy however individuals are still reluctant to adopt the system because of risk associated with it. As study was conducted on a relatively small scale so its result cannot be generalized.

Mattila et al. (2003) examined whether age played any role in difference in adoption of Internet banking. The author found that mature customers aged above 65 are late adopters of Internet banking. The lack of personal service, difficulties with computer and internet and security were found to be the most significant barriers in adoption of IB among mature customers.

H.S. Srivatsa and R. Srinivasan (2007) determined the psychographic factors that are responsible for the youth for choosing a particular banking channel. The study was conducted in 4 regions of Karnataka and customers aged between 18-40 were part of the study. It found that channel convenience, channel control and channel security plays most important role in selection of channels. It identified that still people are stuck to branch banking and do not want to change their mindset. Tele banking is not perceived as safe and convenient and is not popular.

Rajesh kumar Srivastava (2007) examined the perception of customers on usage of internet banking and factors that drive customers towards better perception. The author conducted an extensive survey of 500 customers and determined that various demographic factors like Education, gender and income has an impact on adoption of internet banking. Further the drivers for adoption of IB include convenience, trust, security, cost, awareness and surrounding environment. The study revealed that perception of customers can be changed by awareness programs, friendly usage, less charges, proper security and better responses to the services offered.

Bhavesh Parmar (2013) threw light on use of internet banking among rural customers. Data was collected from 200 respondents in rural areas of north Gujarat who are using internet banking. The study investigated the relation between demographic factors and various attributes of internet banking like user friendly, security, speedy, time saving and trustworthy, found them significantly independent. Only trustworthiness was found to be dependent on age. The study revealed that rural customers are only using basic facilities like balance enquiry and there is not much usage of advanced facilities provided through internet banking.

J. Sethuraman et. al. (2016) examined the channel preference among urban and rural customers. Various alternate channels are offered to the customer across geographies but the study has indicated that the reach of those channels is location dependent. The study revealed that Branch is the most preferred channel in rural areas while ATM is the most preferred by urban customers. There was a considerable gap in awareness and usage of various channels across all customer segments which provide an opportunity to banks to revisit their marketing strategies and translate awareness into usage.

3. RESEARCH GAP

Researches has conducted research study to identify perceptions of customers towards internet banking and analyzed various factors responsible for its adoption or rejection. The studies have also been conducted for identifying the effect of various demographic factors on use of internet banking. This study will find out if there is any significant difference in use of internet banking in urban and rural customers and focus on identifying difference in perception and reasons for using or not using internet banking among rural and urban customers.

4. OBJECTIVES OF THE STUDY

The present study aims to explore-
1.   The difference in usage of Internet banking among urban and rural customers.
2.   The Study also tries to examine the perception of customers towards various attributes of Internet banking like whether it is easy to use, safe and secure, convenient, time saving, 24hrs accessible and good service support by banks.
3.   The study further investigates to find various factors responsible for adoption or rejection of Internet Banking by people in rural and urban areas.

5. HYPOTHESIS

Purpose of this study is to find out the difference in usage of internet banking in rural and urban areas and to study the major factors responsible for any such differences through a customer survey. The study is based on the following hypothesis-
H0 –Usage of internet banking is independent of place of living of a customer
H1 – There is a relationship between place of living and the usage of Internet banking.

6. RESEARCH METHODOLOGY

The study investigates into the factors responsible for perception and adoption of internet banking among customers. The study is explorative in nature and is based on primary data collected through questionnaire. Rural area as defined by Government of India is one which meets the following criterion-

- A population of less than 5000
- Density of population less than 400 per sq km and
- More than 25% of the male population is engaged in agricultural pursuits.

The data has been collected from random customers visiting the branches of various banks situated in Daurala Block of Meerut city which has 55 villages in it. The data for urban area has been collected from the cities of Meerut and Jaipur. A sample of 210 customers has been taken to study the perception and adoption of internet banking.

The questionnaire consists of three sections A, B, and C. Section A consist questions related to demographic characteristics of the respondent like gender, age, Education status, monthly income, place of living, channel of banking, usage of internet banking etc. Section B consists of questions regarding the thoughts and opinions of customer towards different attributes of internet banking. For this 5 point likert scale has been used from Strongly Agree to Strongly Disagree. To check the reliability of likert questions, Cronbach's Alpha was calculated whose value was found to be acceptable. Section C contains questions to find the reasons for using or not using Internet Banking.

The questionnaire has been prepared in two languages English and Hindi so that it is understandable by everyone. In total 17 questions have been asked and have tried to keep questionnaire of optimum length so that respondents provide reliable answers. Frequency charts, Percentage charts and Chi square test have been adopted to test the primary data.

7. SURVEY FINDINGS AND RESULTS

Now we will look at various findings through various statistical analysis of the data obtained from the questionnaire. First of all the frequency Distribution analysis of demographic characteristics is summarized as follows:

TABLE 1

Gender	Frequency	Percentage
Male	142	67.6
Female	68	32.4
total	210	100

Total 210 people were surveyed out of which 67.6% are males and 32.4% are females.

TABLE 2

Educational Status	frequency	Percentage
Below Primary	5	2.4
Primary	12	5.7
High School	47	22.4
Graduate	112	53.3
Master/Phd	34	16.2
Total	210	100.0

Out of total 210 customers, 2.4% are below primary, 5.7% have studied upto primary, 22.4% are high school passout, 53.3% are graduates and 16.2% have done Masters/Phd.

TABLE 3

Age	Frequency	Percentage
15-25	73	34.8
25-40	81	38.6
40-55	50	23.8
55-70	5	2.4
Above 70	1	0.5
total	210	100.0

34.8% of the people are from age group of 15-25, 38.6% are from age group 25-40, 23.8% are from 40-55 age, 2.4% are of age group 55-70 and 0.5% are above 70.

TABLE 4

Place	Frequency	Percentage
Urban	111	52.9
Rural	99	47.1
Total	210	100.0

Out of total 210 responses, 52.9% are from urban area and 47.1% from rural area.

Data related to Use of Internet Banking

Respondents were asked about the banking channel that they use and were allowed to choose all the options applicable to them from Branch, Internet, ATM and Mobile.

TABLE 5

	Frequency	Percent
Internet	97	46.19
ATM	132	62.86
Mobile	79	37.62
Branch	142	67.62

As can be seen from the table, the banking channel used by most people is Branch and out of total 210 respondents 67.62% uses it. The next commonly used channel is ATM used by 62.86%. The Internet banking is used by 46.17% of the people and the mobile banking is used by 37.62%.

TABLE 6: USAGE OF INTERNET BANKING AND AREA OF LIVING

	Yes		No		TOTAL
Urban	65	58.6%	46	41.4%	111
Rural	32	32.3%	67	67.7%	99
TOTAL	97	46.2%	113	53.8%	210

Out of total 111 urban respondents, 58.6% respondents use Internet banking and 41.4% do not use Internet banking while out of 99 rural respondents only 32.3% use internet banking and 67.7% do not use Internet banking which clearly shows that there is difference in usage of Internet banking in rural and urban areas. Additionally, Chi square test was applied to measure the relationship between area of living and usage of Internet banking. As we can see table 7, the relationship is statistically significant because the significant values are .000. This means that there is a meaningful relationship between the area of living and usage of Internet banking in India.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

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

http://ijrcm.org.in/   3

TABLE 7

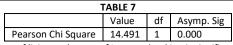|	Value	df	Asymp. Sig
Pearson Chi Square	14.491	1	0.000

Table 7 clearly shows that the relationship between area of living and usage of Internet banking is significant. Therefore, hypothesis H1 is accepted.

Reasons for using or not using Internet banking

Respondents who are using internet banking were asked the reasons for using it and those who are not using were asked the reasons for same. Respondents were allowed to choose more than one option for this question. Total 97 respondents are using internet banking and their reasons for using internet banking is as shown in table 8.

TABLE 8

The Reasons for using internet banking		
Total users of internet banking = 97		
Reasons	**Frequency(out of 97)**	**Percent**
Save time	78	80.41
24 hours availability	79	81.44
Banking transactions are easy	60	61.86
Technology friendly	46	47.42
Ensure safety & Security	43	44.33
More convenient	55	56.70

As shown out of total 97 users, 81.44% says that it is 24 hours available, 80.41% says it saves time, 61.86% agree that transactions are easy, 56.70% finds its convenient, 47.44% technology friendly and 44.33% agree that it ensures safety and security. So the most important feature of internet banking is that its saves times and its 24 hour availability.

TABLE 9

The Reasons for not using internet banking		
Total non users = 113		
Reasons	**Frequency**	**Percent**
The fear of making an incorrect operation and no support in case of breakdown	56	26.67%
Lack of technical knowledge about internet banking	88	41.90%
Not safe & secure	42	20.00%
loss of personal relation	21	10.00%
lack of internet connectivity and erratic power supply	30	14.29%
language barriers	55	26.19%

This question was answered by the respondents who do not use internet banking to seek reasons for the same. Respondents were allowed to choose more than one option. Out of total 113 respondents, 41.90% answered that lack of technical knowledge as the most reason for not using internet banking. Next most sought reasons were 'fear of making an incorrect operation' and 'language barriers.'

If we further analyze this table according to the reasons given by people living in urban and rural areas separately, we can find out the reasons for difference in usage of internet banking in rural and urban areas.

(Table 10 Below) Out of total 113 non users, 67 were from rural area and 46 from urban area. The most sought reason by the rural respondents for not using internet banking is lack of technical knowledge (82.1%), language barriers (61.2%) and fear of making incorrect operation(55.2%). In Urban area, the most important reason is lack of technical knowledge (71.7%). So we can say that language barriers and fear of wrong operation are major reasons for difference in usage of internet banking in rural and urban areas.

TABLE 10

The Reasons for not using internet banking				
Total non users = 113	Total=67	Total=46		
Reasons	Rural	Urban	% Rural	% Urban
The fear of making an incorrect operation and no support in case of breakdown	37	19	55.2	41.3
Lack of technical knowledge about internet banking	55	33	82.1	71.7
Not safe & secure	23	19	34.3	41.3
loss of personal relation	15	6	22.4	13.0
lack of internet connectivity and erratic power supply	22	8	32.8	17.4
language barriers	41	14	61.2	30.4

PERCEPTION OF CUSTOMERS TOWARDS INTERNET BANKING

To understand the perception of customer towards internet banking, 6 questions of 5 point likert scale was asked in Part B. To check the reliability of likert questions, Cronbach's Alpha was calculated whose value was found to be 0.884 and this is acceptable as per rules.

The respondents were asked to express their degree of agreement against each question from 5 options of "Strongly Agree" to "Strongly Disagree". The results are as shown in table 11.

As can be seen, respondents demonstrated high degree of agreeableness in 24 hrs availability of internet banking with a mean score of 3.94. Through this we can say that that there is good availability of internet in India.

TABLE 11

	Questions	N	Min.	Max.	Mean	Std. Dev
1	Internet Banking is a time saving process	210	1.00	5.00	3.85	1.00
2	Internet Banking Transaction procedures are simple and easy to use	210	1.00	5.00	3.80	1.09
3	Internet banking ensure safety and security of the personal data	210	1.00	5.00	3.39	1.16
4	It is convenient because it eliminates the risk of carrying cash	210	1.00	5.00	3.90	1.11
5	Internet Banking services are 24 hours accessible	210	1.00	5.00	3.94	1.15
6	Banks give enough information and support about the internet banking service	210	1.00	5.00	3.43	1.13

The respondents consider internet banking convenient as it eliminates the cost of carrying cash with a mean score of 3.90. The respondents also feel that internet banking is a time saving process with a mean score of 3.85.

The lowest mean score is 3.43 which conclude that customers are not satisfied with the level of service provided by banking staff regarding internet banking. Thus Indian banks need to provide better internet banking related services to customers.

8. CONCLUSIONS AND DISCUSSION

This study has examined the relationship between area of living and usage of internet banking. The finding of the study indicates that internet banking is used more in urban areas as compared to rural areas in India. The reasons as observed are language barriers, education level and lack of technical knowledge. Most of

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT   4

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

http://ijrcm.org.in/

the customers in India still preferred Branch medium of banking but there has been greater acceptance of ATM's also.People are also adopting Internet banking but the pace is still slow.

Most customers are aware and agree about the various benefits of internet banking as compare to other banking channels. They agreed that it is time saving, 24 hrs available and convenient to use. But customers are not happy with the level of services provided by banking staff in matter of Internet banking. So, Indian banks need to improve on that front and need to provide more training and knowledge to its staff so that they can provide satisfactory service to their customers. The banks can organize various digital training programs for the rural customers to make them acquaint with the working of Internet banking. Moreover as explained, language barriers is a one factor that impede the usage of internet banking in India so banks can start their internet banking services in local languages like Hindi which will increase the adoption of internet banking in India manifold.

REFERENCES

1. A.Anish Kumar, S. Ariharan, D. Asir Immanuvel (2016), "Internet Banking – Benefits and Challenges." IJARIIE International Journal, Vol. 1, Issue -1, PP 147-150.
2. Chavan, J. 2013. Internet banking –benefits and challenges in an emerging economy. International Journal of Research in Business Management (IJRBM), Vol-1, Issue-1, pp-19–26.
3. D.N.V. Krishna Reddy and Dr. M. Sudhir Reddy (2015) A Study On Customer's Perception And Satisfaction Towards Electronic Banking In Khammam District. IOSR Journal of Business and Management (IOSR-JBM), Volume 17, Issue 12. Ver.II (Dec 2015), PP 20-27.
4. Divya, S. and Padhmanabhan, V. "A Study on Customer Perception towards Internet Banking: Identifying Major Contributing Factors", The Journal of Nepalese Business Studies, Vol. V, No. 1, December 2008, pp 101-111.
5. Dr. A Vinayagamoorthy, M Ganesan (2015), A Study on Rural Consumer Perception towards Internet Banking Services In Salem District, International Journal of Applied Research, Vol.1, Issue 12, pp. 726-732.
6. Fozia M (2013), "A comparative study of customer perception toward e-banking services provided by selected private & public sector bank in India.", International Journal of Scientific and Research Publication, Vol. 3, Issue-9, pp 1-5.
7. Gaikwad N.M. and Rathod A.U. (2014), "Online banking in India – Advantages and Disadvantages", Tactful Management Research Journal, (Nov ;2014)
8. Mattila, M., Karjaluoto, H. and Pento, T. (2003), "Internet banking adoption among mature customers: early majority or laggards", Journal of Services Marketing, Vol. 17 No. 5, pp. 514-26.
9. Parmar, BJ, DB Ranpura, CR Patel, and NP Patel, "Rural Banking through Internet: A Study on Use of Internet Banking among Rural Consumers", Asian Journal of Management Research, Vol. 3, Issue – 2 (2013), 325–335.
10. Safeena, Rahmath, Hema Date and Abdullah Kammani, "Internet Banking Adoption in an Emerging Economy: Indian Consumer's Perspective." Int. Arab J. e-Technol. 2 (2011): 56-64.
11. Safeena, Rahmath, Hema Date and Abdullah Kammani, Nisar Hundewale (2012), "Technology Adoption and Indian Consumers: Study on Mobile Banking, International Journal of Computer Theory and Engineering, Vol. 4, Issue -6, (Dec 2012) pp 1020-1024.
12. Sethuraman, J., Vijayabanu, C., AND Therasa, C. "A Study on Channel Preferences among Urban and Rural Banking Customers" Indian Journal of Science and Technology [Online], Volume 9 Number 27 (27 July 2016).
13. Shilpan Vyas, (2012) Impact of E-Banking on Traditional Banking Services, School of Computer Science and Information Technology, International Journal of Computer Science & Communication Networks, Vol. -2, Issue-3, pp-310-313.
14. Srivastava, R.K. (2007), "Customer's perception on usage of internet banking", Innovative Marketing, Vol. 3, issue 4, pp. 67-73.
15. Srivatsa H.S. and Srinivasan R., Banking Channel Perceptions an Indian Youth perspective, International Marketing Conference on Marketing & Society, 8-10 April, 2007, IIMK, 2007.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT 5

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

http://ijrcm.org.in/

IMPACT ASSESSMENT OF AGRICULTURAL CREDIT OF REGIONAL RURAL BANKS ON AGRICULTURISTS IN HIMACHAL PRADESH

Dr. S S NARTA
PROFESSOR
DEPARTMENT OF COMMERCE
HIMACHAL PRADESH UNIVERSITY
SHIMLA

SHELLY MAHAJAN
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
GOVERNMENT COLLEGE
CHAMBA

ABSTRACT
This paper reports on the findings of an exploratory research whose main purpose was to investigate impact of agricultural loan of Himachal Gramin Bank on the socio-economic lives of people in Himachal Pradesh. The study sought to establish whether bank empowers the poor and reduces poverty. The study was conducted through the use of pre tested interview schedule randomly distributed to the beneficiaries in three districts of the state selected for study. The study reveals that there is a positive relationship between agricultural credit and socio-economic lives of the rural people in Himachal Pradesh. It was found out that agricultural loan has resulted in increase in income and productivity per hectare of land of agriculturists and has also helped in reducing the labour cost

KEYWORDS
Himachal gramin bank, agriculturists, labour, income.

JEL CODES
Q14, H81, G21.

INTRODUCTION
Rural development is not merely development of rural areas but also the development of the rural people into self-reliant and self-sustaining modern little communities. Rural development in the country is designed to enhance the socio-economic living conditions for the people living in rural India while conserving their culture and rich tradition. The rural population in India suffers from a great deal of indebtedness and is subject to exploitation in the credit market due to high interest rates and the lack of convenient access to credit. Rural households need credit for investing in agriculture and smoothening out seasonal fluctuations in earnings. Since cash flows and savings in rural areas for the majority of households are small, rural households typically tend to rely on credit for other consumption needs like education, food, housing, household functions, etc.The Regional Rural Banks have been growing in importance since their inception in 1975 as special institutions playing a catalyst role in the development of rural areas. They have been playing a significant role in financing the weaker sections of the community in the rural areas and also in inculcating banking habit among rural masses. Regional Rural Banks were set up with a view to developing the rural economy by providing credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. Being local level institutions, RRBs together with commercial and co-operative banks, were assigned a critical role to play in the delivery of agriculture and rural credit

Himachal Pradesh Gramin Bank,sponsored by Punjab National Bank came in to existence with the amalgamation of two Regional Rural Banks viz. Himachal Gramin Bank,Mandi and Pravatiya Gramin Bank,Chamba, vide Government of India Notification dated 15th November 2013 under section 21 of the RRBs Act, 1976 with its Head Office at Mandi. The area of operation of the bank is spread over to 12 districts of Himachal Pradesh.The Bank is authorised to affect banking transactions as permitted under section 5(b) of banking Regulations Act,1949. Presently, Bank is functioning with a network of 188 branches in twelve districts The prime objective of establishment of the bank is to provide facilities to the remote rural sectors and to provide banking facilities to rural masses. Another important responsibility entrusted to the bank was to provide productive credit, to agriculture, cottage, and small Industries, retail trade, dairy development and other related allied activities.

NEED AND SCOPE OF THE STUDY
Himachal Pradesh has a rural economy as about 90 percent people of Himachal Pradesh lives in rural areas and most of them are agrarian. In this context, present study is relevant to know the impact of agricultural credit of RRBs on the beneficiaries. The scope of the study is restricted to three districts of Himachal Pradesh i.e. Kangra, Mandi and Chamba and the reference period for conducting the survey was 2017-18

OBJECTIVES OF THE STUDY
Keeping in view the impact assessment of agriculture loans provided by Himachal Gramin Banks to the agriculturists in Himachal Pradesh., present study is based on the following objectives:
1.   To study the impact of agriculture loan on productivity per hectare of land. and reduction in labour cost
2.   To analyze the impact of agriculture loan in increasing the value of assets and savings.

HYPOTHESES
Keeping in view the objectives laid for the present study, the following hypotheses have been tested.
Ho1 There is no significant effect of agricultural loan provided by Himachal Gramin Bank in increasing the productivity per hectare of land and reducing the labour cost
Ho2 There is no significant effect of agriculture loan in increasing the value of asset and savings of the beneficiaries.

METHODOLOGY

THE STUDY AREA
The study has been conducted in the three districts of Himachal Pradesh having highest concentration of Gramin bank's branches. Three districts viz; Kangra, Mandi and Chamba were selected among the twelve districts of the state. In this study, time period from 2014-15 to 2016-17 has been considered for analyzing the impact of agricultural loan provided by Gramin banks.

THE SAMPLE DESIGN AND DATA
Three stage random sampling technique was used to select the beneficiaries for the study. At the first stage, one good performing block from each district has been selected randomly. At the second stage, four panchayats from each block were selected randomly. In the third stage, two villages from each panchayats having highest population were selected. Finally, a random sample of 240 beneficiaries was drawn in probability proportion to size method with the consideration that there were at least 5 beneficiaries from each selected villages.

Primary data were collected from the beneficiaries in the sample using well structured pre tested schedule by personal interview method and direct observations. Information related different socio economic parameters of the beneficiaries as well as the general impact of agricultural loan were collected from the primary sources

ANALYTICAL TOOLS
Socio-economic profiles of the beneficiaries in the study area were prepared using simple descriptive method and analysis was done using simple statistical tools like averages and percentages and results were presented in tabular form. To find the impact of the agricultural loan on beneficiaries, selected variables were considered and changes in the value of these indicators over the years were examined. To find out the impact on the selected variables, ANOVA and F test were used to find out the significant difference. Further perceptions of the beneficiaries on agricultural loan taken by them from Gramin bank has been studied on 5 point Likert Scale.

RESULTS AND DISCUSSIONS

1. DEMOGRAPHIC PROFILE
Demographic profile of the respondents of the district under study i.e. Chamba, Kangra and Mandi as presented in table 1 reveals that out of the total sample respondents, 43.77percent belong to general category, whereas 25.7percent and 23.7percent belong Scheduled caste and scheduled tribe categories respectively. Among the general category respondents 47.3 percent are from Kangra district in comparison to 30.5 percent from Mandi and 22.1 percent from Chamba district.

TABLE 1: DEMOGRAPHIC PROFILE

District	Chamba		Kangra		Mandi		Total	
Category	No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
General	29	(22.13)	62	(47.32)	40	(30.5)	131	(43.67)
Scheduled caste	40	(51.94)	07	(09.09)	30	(38.9)	77	(25.66)
Scheduled tribe	31	(43.66)	16	(22.53)	24	(33.80)	71	(23.67)
OBC	00		15	(71.42)	06	(28.57)	21	(7)
Education qualification	No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
Below matriculation	11	(34.3)	08	(25)	13	(10.67)	32	(10.67)
Matriculation	66	(45.83)	29	(29)	49	(34.02)	144	(48)
Senior secondary	2 1	(20.1)	5 1	(49.03)	32	(30.7)	104	(34.67)
Graduate	2	(10)	12	(60)	06	(30)	20	(6.67)
Annual family income Rs (000)	No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
50-100	16	(55.17)	2	(6.89)	11	(37.9)	29	(9.077)
100-150	55	(49.54)	16	(14.41)	40	(36.03)	11	(37)
150-200	17	(13.7)	71	(57.25)	36	(29.03)	124	(41.3)
200-250	12	(33.33)	11	(30.5)	13	(36.11)	36	(12)

Whereas among the scheduled caste respondents more than half of the respondents are from Chamba district alone. As far as Scheduled tribe respondents are concerned 43.7 percent are from Chamba district in comparison to 33.8percent from Kangra and 22.5 percent from Mandi matriculate, 34.7percent are +2, 10.7percent are below matriculation and only 6.7percent are district.

Analysis of table further reveals that out of the total sample respondents 48percent are graduate. Among the respondents having qualifications below matriculation 40.6percent are from Mandi district in comparison to 34.4 percent from Chamba and 25 percent from Kangra district. Respondents possessing matriculation as qualification, 45.8percent respondents are from Chamba district, 34percentarefrom Mandi and 20.1 percent from Kangra district. Among the graduate respondents,60percent are from Kangra district, 30 percent from Mandi and 10 percent from Chamba district.Further,41.3 percent respondents have annual income between Rs. 1,50,000-2,00,000, whereas 37percent have income between Rs 1,00,000 to 1,50,000. There are only 12.9 percent respondents who have annual income above Rs 2,00,000. Among the respondents with annual income between Rs 1,00,000 to 1,50,000, 49.5percent are from Chamba district, whereas,36 percent are from Mandi and 14.4 percent from Kangra district. Among the respondents whose annual income is between Rs. 1,50,000 to 2,000,00, 29 percent are from Mandi district in comparison to 23.7 percent from Kangra and 13.7 percent from Chamba

Descriptive statistical analysis district. of increase in production per bigha of land (Table2) reveals that mean score of responses as far as increase in production per bigha of land is concerned, is close to high values.

TABLE 2: DESCRIPTIVE STATISTICS ON IMPACT ON PRODUCTION PER BIGHA OF LAND

District	Mean	Std. Deviation
Chamba	3.7051	.70451
Kangra	3.6512	.52932
Mandi	3.6716	.70470
Total	3.6809	.66562

Descriptive statistical analysis district. of increase in production per bigha of land (Table2) reveals that mean score of responses as far as increase in production per bigha of land is concerned, is close to high values. It is revealed from the table that mean score is responses is maximum for Chamba (3.7051) followed by Mandi (3.6716) and Kangra (3.6512) districts. Hence, it can be concluded that crop loan has significantly contributed towards increase in production per bigha of land in all the districts under study. However, variation in the responses has been noticed very high in Chamba district (.70451}and lowest in Kangra (.52932) district.

Table 2 (a) shows ANOVA result of increase in production per hectare of land on the basis of districts.

TABLE 2 (a): ANOVA RESULTS ON PRODUCTION PER BIGHA OF LAND

	Sumof Squares	Df	Mean Square	F	Sig.
Between Groups	.090	2	.045	.100	.905
Within Groups	82.762	185	.447		
Total	82.851	187			

The value of F test is insignificant at 5% level of significance. So, it can be inferred that t there is no significant difference in the perception of the respondents in all the districts under study which shows that beneficiaries have uniform perception as far as increase in production per hectare of land,on account of agricultural loan is concerned. So it can be said that there is no significant difference in the opinion of respondents of three districts with regard to increase in productivity on account of crop loan availed by them. The post hOC result of increase in production per bigha of land as presented in table 2(b)

TABLE 2 (b): POST HOC RESULT ON PRODUCTION PER BIGHA OF LAND

District	Production	Mean Difference	Sig.
Chamba	Kangra	.05397	.905
	Mandi	.03349	.951
Kangra	Chamba	-.05397	.905
	Mandi	-.02048	.987
Mandi	Chamba	-.03349	.951
	Kangra	.02048	.987

Shows that there is no significant difference in the responses of respondents of Chamba with Kangra, and Mandi districts. Similarly, there is no significant difference in the perception of beneficiaries of Kangra district while comparing it with Chamba and Mand and Mandi district, while comparing it with Chamba and Kangra districts, as far as increase in production per bigha of land through crop loan is concerned.

TABLE 3: DESCRIPTIVE STATISTICS ON IMPACT OF AGRICULTURAL LOAN ON LABOUR COST

District	Mean	Std. Deviation
Chamba	3.7564	.92842
Kangra	3.8605	.41297
Mandi	3.7015	.83512
Total	3.7606	.80183

Descriptive statistical analysis of reduction in labour cost as shown in table 3. reveals that mean score of responses on account of reduction in labour cost is close to high values. The mean score of responses for reduction in labour cost due to agricultural loan was found maximum in Kangra (3.8605) followed by Chamba (3.7564) and Mandi (3.7015) districts. Hence, it can be concluded that crop loan has significantly contributed towards reduction in labour cost in all the districts under study. However variation in the responses has been noticed very high in Chamba district(.928) and lowest in Kangra district.
Table 3 (a) shows ANOVA results of reduction in labour cost in the district under study.

TABLE 3 (a): ANOVA RESULTS ON LABOUR COST

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.664	2	.332	.514	.599
Within Groups	119.564	185	.646		
Total	120.229	187			

The value of F test has been found insignificant at 5% level of significance. So, it can be inferred that t there is no significant difference in the perception of the respondents in all the districts under study which shows that beneficiaries have uniform perception as far as reduction in labour cost on account of agricultural loan is concerned.

TABLE 3 (b): POST HOC RESULT ON LABOUR COST

Districts	Labour Cost	Mean Difference	Sig.
Chamba	Kangra	-.10405	.775
	Mandi	.05492	.912
Kangra	Chamba	.10405	.775
	Mandi	.15897	.570
Mandi	Chamba	-.05492	.912
	Kangra	-.15897	.570

The Post hoc result of reduction in labour cost as presented in table 3(b). It reveals that there is no significant difference in the responses of respondents of Chamba with Kangra, and Mandi districts. Similarly, there is no significant difference in the perception of beneficiaries of Kangra district while comparing it with Chamba and Mand and Mandi district, while comparing it with Chamba and Kangra districts as far as reduction in labour cost through crop loan is concerned.

TABLE 4: DESCRIPTIVE STATISTICS ON IMPACT OF AGRICULTURAL LOAN ON VALUE OF ASSET

District	Mean	Std. Deviation
Chamba	3.7821	.44568
Kangra	3.8372	.53141
Mandi	3.7910	.53760
Total	3.7979	.49769

Descriptive analysis of increase in value of asset has been presented in table 4.
The analysis of table reveals that mean score of the responses of respondents is very close to high values. It is revealed from the table that mean score for increase in asset is maximum for Kangra district i.e. 3.8372 followed by Mandi (3.7910) and Chamba district (3.7821). Hence, it can be concluded that crop loan has significantly contributed towards increase in value of assets in all the districts under study. However variation in the responses has been noticed very high in Mandi (.53760) and lowest in Chamba (.44568) district.
Table 4 (a) shows ANOVA result of increase in value of assets on the basis of districts.

TABLE 4 (a): ANOVA RESULTS ON VALUE OF ASSETS

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.089	2	.045	.178	.837
Within Groups	46.230	185	.250		
Total	46.319	187			

The value of F test is insignificant at 5% level of significance. So, it can be inferred that t there is no significant difference in the perception of the respondents in all the districts under study which shows that beneficiaries have uniform perception as far as increase in value of assets, on account of agricultural loan is concerned.

The post hoc result of increase in value of assets on the basis of district has been presented in table 4(b).

TABLE 4 (b): POST HOC RESULT ON VALUE OF ASSETS

District	Increase in Asset	Mean Difference	Sig.
Chamba	Kangra	-.05516	.830
	Mandi	-.00899	.994
Kangra	Chamba	.05516	.830
	Mandi	.04616	.884
Mandi	Chamba	.00899	.994
	Kangra	-.04616	.884

It reveals that there is no significant difference in the responses of respondents of Chamba with Kangra, and Mandi districts. Similarly, there is no significant difference in the perception of beneficiaries of Kangra district while comparing it with Chamba and Mand and Mandi district, while comparing it with Chamba and Kangra districts as far as increase in value of asset through crop loan is concerned.

Descriptive analysis of increase in savings through bank credit as shown in Table 5.

TABLE 5: DESCRIPTIVE STATISTICS ON IMPACT OF AGRICULTURAL LOAN ON SAVINGS

District	Mean	Std. Deviation
Chamba	4.0000	.60302
Kangra	3.9535	.84384
Mandi	3.9552	.76738
Total	3.9734	.71973

Descriptive analysis of increase in savings through bank credit as shown in Table 5. It evidences that mean score of the of responses of beneficiaries is close to high value who feel that their savings has increased after availing loan from bank. The mean score of responses has been found highest in Chamba (4.0000) followed by Mandi (3.9552) and Kangra [3.9535] districts. Hence, it can be concluded that crop loan has significantly contributed towards increase in savings of the beneficiaries in all the districts under study. However, variation in the responses has been noticed very high in Mandi (.84384) and lowest in Chamba (.60302) district. By using ANOVA (Table5a) there is no significant difference in the perception.

TABLE 5 (a): ANOVA RESULTS ON SAVINGS

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.094	2	.047	.090	.914
Within Groups	96.773	185	.523		
Total	96.867	187			

By using ANOVA (Table5a) there is no significant difference in the perception of the beneficiaries in all the districts under study, which shows that beneficiaries have been uniformly benefited as far as increase in their savings on account of agricultural loan is concerned.

TABLE 5 (b): POST HOC RESULT ON SAVINGS

District	Savings	Mean Difference	Sig.
Chamba	Kangra	.04651	.939
	Mandi	.04478	.927
Kangra	Chamba	-.04651	.939
	Mandi	-.00174	1.000
Mandi	Chamba	-.04478	.927
	Kangra	.00174	1.000

The post hoc result of increase in savings on the basis of district as depicted in table 5 (b) reveals that there is no significant difference in the responses of respondents of Chamba with Kangra, and Mandi districts. Similarly, no significant difference in the perception of beneficiaries of Kangra district while comparing it with Chamba and Mand has been observed. Similarly, no significant difference in the perception of beneficiaries of Mandi district, while comparing it with the respondents of Chamba and Kangra districts has been observed.

CONCLUSION

In nut shell, it can be summed up that there is significant impact of agriculture loan in increasing the productivity per bigha of land and reduction in labour cost through use of improved technology for which credit has been provided by bank. The beneficiaries have been found greatly benefited by the credit of Himachal Pradesh Gramin Bank which has ultimately increased in savings and assets of the beneficiaries.

REFERENCES

1. A.N. Sachdeva and G.D. Awasthi, Economics Development in India, Lucknow, Prakashan Kendra, 1988.
2. Abrol Prem Math, Commercial Banking, Anmol Publications, New Delhi, 1987.
3. Aggarwal, B.P., Commercial Banking in India after Nationalization - A Study of Their Policies and Progress, Classical Publishing Co., 1982
4. Annual Reports of Himachal Pradesh Gramin Bank, 2018
5. Bhattacharya Sib Nath, Role of Indian Rural Institution in Economic Growth. Ph.D. Thesis. 1970.
6. Bhupat M. Desai and Namboodiri; Rural Financial Institutions Promotion and Performance. IBM Janpath, New Delhi, (2000).
7. C.K. Ambastha: Rural Development Banking, Principle & Practices, IPDM Nehru Place, Delhi, (1987).
8. Jadhav, Narendra and Ajit, D., "The Role of Banks in Economic Development of India", Prajnan, Vol. XXV, No. 34. October-March, 1996-1997, pp. 309-321
9. Jain M.K., Rural Banks and Rural Poor (Problems and Prospects), Printwell Publishers, Jaipur, 1989.
10. Mishra, S.K., and Puri, V.K., "Regional Rural banks", Indian Economy, 2009-10, pp. 307-308.
11. R.K. Uppal: Indian Banking Industry in 2020, Mahamaya Publishing House, New Delhi, (2008).
12. Reddy, B.R., and Reddy, S.V., "Growth and Performance of Regional Rural Banks in India", The Journal of Commerce, April-Sept., 1998, Vol. 51, No. 2 & 3, pp. 71-75

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT 9

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

http://ijrcm.org.in/

STUDY THE RELATIONSHIP BETWEEN PRODUCT DIVERSIFICATION STRATEGY WITH FINANCIAL PERFORMANCE

V.SUNDARA PRASAD
ASST. PROFESSOR
PSG COLLEGE OF ARTS & SCIENCE
COIMBATORE

Dr. R.KRISHNAKUMAR
ASSOCIATE PROFESSOR
ST. JOSEPH'S COLLEGE OF ARTS &SCIENCE (AUTONOMOUS)
CUDDALORE

ABSTRACT
As of late, the connection among execution and assortment of organization was an imperative trial issue in money related administration. Broadening techniques can influence the focused equalization in the business. This examination plans to quantify the connection between the two factors of enhancement and monetary proportions as criteria of bookkeeping based execution utilizing required measurable tests. This exploration pursues Ex-Post Facto Method with useful reason. Factual example of this exploration are 99 organizations recorded in Tehran Stock Exchange Market. The aftereffects of this exploration have demonstrated that applying significant enhancement system has no effect on money related execution of delivering organizations and insignificant methodologies has various tie with execution marker and development of organization. Also, the effect of control factors of organization's size, budgetary use, development openings and proportion of market estimation of value to book estimation of value on the connections between research factors and suspicions have been estimated in this examination.

KEYWORDS
marketing, product diversification, financial performance.

JEL CODE
M31

INTRODUCTION
Many of today's organizations around the world move towards being larger and increase their business activities environment. One of the reasons for this is accountability to multiple needs of customers. Managers try to meet the multiple needs of customers and make them loyal to their organization. For this reason and other technical reasons, such as to prepare the raw material and finished product distribution within the system, many organizations have turned to diversity. The question that may arise in the minds of managers is that the diversification of the company's business to what extent can effect on the Company's performance and growth.

Financial ratios are considered as criteria for assessment of company's performance. The current research aimed to figure out the relationship between variety of business with financial performance of companies and growth of company by selecting sample of Tehran Stock Exchange Companies and computation of their variety and these ratios as financial performance criteria.

STATEMENT OF THE PROBLEM
This study aims to examine the strategies of diversifying the product and its effects on financial performance and growth. Diversity is the extent to which the institutions simultaneously work in the production and distribution of various products (Varaderajam and Ramanujam 1987). The objective of diversifying the product such as production and distribution is reduction of risk including operational and commercial. Applying product diversification strategy can affect on performance and growth of one company if it was an assessed effort for determining available resources for production of pursuing appropriate and coordinate strategies.

In today's dynamic markets, many firms to meet the needs of customers and the protection of life in competitive economic environments move toward expanding the production and distribution of its products. The company's market share is defined with products that offer in comparison with competitors in industry (Tehran & et al 2008).

New product development is an important factor in a country's economic wealth. Unfortunately, the importance of new product development cannot match with the level of success and the risk of failure is high on new product development. Despite this, and to identify new product failure rates in several studies, scientists warned that the failure rate of new products is still worrying. Therefore, the researchers have attempted to provide a prescriptive approach to help the best field of new product development for its success (Seyed Hosseini & Iranban 2004). The main problem of this research is to assess the modern strategies through product diversification strategies and on the other word, to improve the financial performance and growth by diversifying and to achieve better result and more interest thorough that.

IMPORTANCE & NECESSITY OF RESEARCH
The profitability and development of selling is one of the most important and basic goals of the company; so, efforts to achieve a wide product and broad market is considered to be one of its main programs. Thus, one way to achieve this is to apply strategy of products diversification and in this study we are going to assess its impact on performance and growth of these companies. Other important reasons that led to assessment of this study are awareness and knowledge for managers who follow this strategy in various circumstances. Because the lack of understanding of the tools, time and conditions of applying, not only would not cause the growth and profitability of companies, but also it would have the opposite result. In recent years, the relationship between performance and diversity is a major issue in financial management. Diversification strategies can affect the competitive balance in an industry; while, the researchers come to three different result (positive tie, negative tie and no tie) between diversification and organizational performance.

OBJECTIVES OF THE STUDY
➢ The scientific aim of this study is crediting the research hypothesis so that this research can be effective in raising the level of general knowledge required to the users and also help them better understand the elements of financial statements.
➢ The purpose of this study was to identify differences in the predictions of investors in the capital market in Iran and seeks to provide ways to reduce the information asymmetry between managers and other users of financial statements; in other words, by analyzing the relationship between product diversification strategy with financial performance and growth in the capital market in Iran, increase of the quality of accounting information demand can be predicted.

METHOD OF RESEARCH

This research is an analytical-experimental research which is applied in terms of objective. In connection with the results of sample, descriptive method and in generalizing the results of statistical population, inductive inference will be used. Because the collected data from the companies is based on the historical financial statements; so it is considered as an Ex-Post Facto research.

Sampling Method

Systematic elimination sampling method (screening) has been applied to do sampling.

Data Collection Method

Study of Documents: Considering type of research, data will be collected based on previous performances. Library Study: It is used to collect data based on theoretical basis and background of research.

Internet Search: It is used to collect related data to previous records.

Diversification Strategy: To calculate the diversity of company's product in three different levels of total diversity, relevant and irrelevant diversity, the following steps have been gone through: First by using information in the Library of the Tehran Stock Exchange on the company studied collect the entire data concerning the sales of these companies in 2008 to 2017 about the level of products.

By using ISIC classification system for every single product of companies, ISIC double-digit and four-digit codes have been extracted and collected through coding booklet of all commodities and industrial services and also site of the United Nations. Therefore, it is specified that each company works in how many industry and business. Finally, applying total, relevant and irrelevant diversity ties, score of diversity in three level of total, relevant and irrelevant diversity for the companies of statistical sample are computed:

Return on Assets: ROA stated a profitability ratio for the company. This ratio is prepared for showing power of profitability of company in proportion of sum of book value of assets that will be compared between two or more companies in on industry in different sizes. ROA will be computed as below:

ROA=NI/TAS (net interest) / (total assets)

Return on Equity: ROE stated a profitability ratio for the shareholders. This ratio is provided for showing profitability power of company in proportion to the book capital of the shareholders. ROE is computed as below: ROE=NI/TE (net interest) / (total equity)

Company's Sales Growth: To assess this variable, sales growth criteria is used which as measured as below:

GS = <u>Sale of current year – sale of Previous Year</u>
          Sale of Previous Year

Profit Margin: This ratio shows the profit of each Real sale.

PM   =   <u>Net Interest</u>
                        Sale

Statistical Population

Statistical population of research includes the whole companies listed in Tehran Stock Exchange. Given the 6-year period of research (opening of 2008 till closing of 2013) companies which are at least once a member of Tehran Stock Exchange in beginning of 2008 and their fiscal year end to March have been selected. Method of sampling was stage with systematic elimination. In this research, companies that have the whole following conditions have been elected as sample. They have been member of Tehran Stock Exchange from the beginning of 2008. Their fiscal year end to March of each year. Share of stock companies doesn't have significant trade gap (more than 6 months). They have delivered their fiscal statement for review in stock exchange.

Some listed companies, including banks, financial institutions, financial investment companies, financial intermediaries and holding companies that have different reporting structure are removed from the samples. Among all listed companies in Tehran Stock Exchange till closing 2017, considering the foregoing limitations, statistical population reaches to 99 among 2008 to 2017.

DATA ANALYSIS

To analyze data, first collected data shall be transferred to EXCEL and after organizing and performing required computations, Eviews-8 econometric software will be applied for data analysis. Afterward, descriptive statistics are presented and using statistical tests, heterogeneity of variance and correlation coefficient are analyzed. Then, by using analysis of regression model, result of research process, significant assessment of regression model and coefficient of variables, hypotheses will be rejected or confirmed.

Statistical Methods

Considering the fact that in this research, Compound Linear Regression is used as compound method or Data Panel, following methods is used for analyzing assumptions:

Kolmogorov – Smirnoff Test to determine normality of distribution of dependent and independent variables. Durbin - Watson Statistics to determine normality of distribution of reminders in Regression

Distribution Diagram or variance comparison tests to assess the stability of variances. Pearson correlation test to analyze linear independence of the independent variables.

Evaluation of determination coefficient (R^2) to analyze linearity assumption of the relationship between variables. For assumptions of Data Panel of Chow – Hausman Tests. In addition, considering that variables are used as absolute figures, logarithm model are used for data normalization.

TABLE 1

Type of Variable	Variable	Symbol	# of Observation	Least	Most	Mean	Standard Deviation
Dependent	Return on Equity	ROE	500	0.057	0.853	0.374	0.339
	Return on Assets	ROA	500	0.0473	0.694	0.191	0.239
	Profit Margin	PM	500	0.174	0.931	0.673	0.481
	Company's Sale Growth (Entropy Index)	GS	500	0.471	3.250	1.376	1.731
Independent	Relevant Diversity (Entropy Index)	DR	500	0.271	0.964	0.759	0.427
	Irrelevant Diversity	DU	500	0.0051	0.275	0.0931	0.1874
Control	Size	SIZE	500	4.067	8.391	5.760	0.376
	Financial Leverage	Lev	500	0.172	0.8104	0.597	0.631
	Company's Sale Growth	BM	500	0.671	4.752	1.894	2.053

Descriptive Statistics

The main central index is the mean that shows balance and distribution center and is a good indicator to show data centrality. For instance, amount of mean for ROE is 0.374 which indicates that more data are centralized in this point. Moreover, distribution parameters are criteria for determining the amount of each

distribution or dispersion relative to the mean. The most important parameters of the distribution is standard deviation that the variable of return on assets and growth opportunities for the company to have the lowest and the highest standard deviation.

Dickey-Fuller Generalized Test for Stability of Variables:
In the following table, mentioned variables have less p-value from 0.05; therefore, H_0 is rejected and variables are stable.

TABLE 2

Variable	Statistics	P - value
ROE	594	0.000
ROA	594	0.000
PM	594	0.000
GS	594	0.000
DT	594	0.000

Hausman Test
In 1st and other hypotheses, given that p-value obtained is equal to zero in Lymr F test, H_0 is rejected (p-value≤0.05) and panel data methods are accepted. Furthermore, considering the amount of p-value from Hausman Test that is equal or lower than 0.05, Hausman H_0 is rejected and fixed effects will be accepted.

TABLE 3

Hypotheses	Lymr F	probability	p-value	Result	Hausman Test	probability	p-value	Result
Hypotheses.1	3.956	0.000	P<0.05	Panel data	6.782	0.000	P<0.05	Fixed effects
Hypotheses.2	6.394	0.000	P<0.05	Panel data	9.7367	0.0001	P<0.05	Fixed effects
Hypotheses.3	2.8752	0.000	P<0.05	Panel data	7.861	0.000	P<0.05	Fixed effects

Hypotheses Analysis
Testing 1st Main Hypothesis: There is relationship between relevant diversity with financial performance.
$PERF_{it} = \alpha_0 + \beta_1 DR_{it} + \beta_2 size_{it} + \beta_3 lev_{it} + \beta_4 BM_{it} + \varepsilon_{it}$
This hypothesis is tested as per following hypotheses: <u>Analyzing Subsidiary Hypotheses:</u>
There is relationship between relevant diversity in product with return on equity.
$ROE_{it} = \alpha_0 + \beta_1 DR_{it} + \beta_2 size_{it} + \beta_3 lev_{it} + \beta_4 BM_{it} + \varepsilon_{it}$

TABLE 4

Dependent Variable of ROE				
Variable	Coefficient	Standard Deviation	Statistics t	P-Value
C	6.57	1.614	4.0712	0.000
DR	57.4	1.474	0.875	0,0008
SIZE	9.97	4.938	2.019	0.0038
Lev	1.14	0.570	1.999	0.0758
BM	0.928	0.176	5.274	0.000
Durbin – Watson Statistics	1.684		Adjusted R-squared	
Prob (F-statistic)	0.000		0.3932	

Considering the result of regression model test as above, it has been observed that the p-value related to Prob (F-F statistic) that indicated the significance of total Regression is equal to 0.000 and indicate that the model is meaningful in 95% confidence level. Adjusted determination coefficient (R^2) is equal to 0.3932 and indicates that 39% of changes of dependent variable can be explained with independent variables that shows the good explanatory power of this Regression. Furthermore, Durbin – Watson Statistics is equal to 1.684 that this value in 1.5 to 2.5 distances indicates lack of correlation between variables. As it can be seen above, coefficient of relevant diversity (DR) in product is equal to 8.75 and Prob is 0.0008. The t statistics and p-value of this variable indicates the significance of this coefficient in error level of 5%. These results show that there is direct and meaningful relationship between relevant diversity in product with return on equity.
There is relationship between relevant diversity in product with return on assets.
$ROA_{it} = \alpha_0 + \beta_1 DR_{it} + \beta_2 size_{it} + \beta_3 lev_{it} + \beta_4 BM_{it} + \varepsilon_{it}$

TABLE 5

Independent Variable of ROA				
Variable	Coefficient	Standard Deviation	Statistics t	P-Value
C	2.91	1.328	2.192	0.0089
DR	3.43	0.970	3.537	0.0014
SIZE	4.58	1.098	4.172	0.0001
Lev	1.18	0.530	2.228	0.0099
BM	277.90	0.081	8.36	0.0000
Durbin – Watson Statistics	1.787		Adjusted R-squared	
Prob (F-statistic)	0.000		0.361	

Considering the result of regression model test as above, it has been observed that the p-value related to Prob (F-F statistic) that indicated the significance of total Regression is equal to 0.000 and adjusted determination coefficient (R2) is equal to 0.361 which indicates that 36% of changes of dependent variable can be explained with independent variables that shows the good explanatory power of this Regression. Furthermore, Durbin – Watson Statistics is equal to 1.787 that this value in 1.5 to 2.5 distances indicates lack of correlation between variables. As it can be seen above, coefficient of relevant diversity (DR) in product is equal to 3.43 and Prob is 0.0013. The t statistics and p-value of this variable indicates the significance of this coefficient in error level of 5%. As to these results, H_1 based on existence of direct and meaningful tie between relevant diversity in product with return on asset is accepted.

CONCLUSION

In diversification, a continued growth should exist in ability of management of diversity-oriented managers. One of the reasons for not getting the desired results is that managers follow the diversity strategy while their management's ability doesn't have consistent growth with expand of their complex.

Diversification companies have shortage of skilled and experienced labor that has skill, capability, experience and knowledge of several businesses. This subject can be affective on relationship of diversification & performance.

The cost of setting up diversified companies especially irrelevant diversity is high. As long as the costs are too high, it negatively affects the financial performance of diversified companies.

Iran's economic situation is mostly affected by the profitability of rents, market conditions and government support and minor factors. Therefore, strategy selection will not have expected impact on performance and profitability.

Root of strategy and its effectiveness lies in competition. Since the competition is not a full competition in Iran, strategy selection will not have expected impact on performance, management theories can be applied in competitive situations.

REFERENCES

1. Grant R.1988. 'Diversity, Diversification and Profitability among British Manufacturing Companies', Academy of Management Journal, Vol. 31, No. 4.
2. Hall Ernest H.2007. 'Diversification and Performance Measurement Problems: An International Investigation', Journal of International Management Studies.
3. Hangr J. David, El Violin T.2002. "The Basics of Strategic Management", translated by Mohammad Arabi and Davood Izadi, Cultur al Research Bureau.
4. Oyedijo A.2012. 'Effects of Product-Market Diversification Strategy on Organizational Performance and Growth: An Empirical Study of Some Companies in Nigeria', American International Journal of Contemporary Research, Vol. 2, No. 3, 199 –210.
5. Porter M. 2005. Competitive Strategy and Industry Analysis Techniques and Competitors, Majidi, Jahangir, Mehrpooya, A., Raha Cultural Services Institute, 1st Edition.
6. Qaemi MH, Shahriari M.2009. Corporate Governance and Financial Performance of the Companies, Accounting Developments Shiraz University Journal, 2009, Volume I, Number I, Pp 113 to 128.
7. Ramırez A, Escuer M, Espitia M.2002. 'The impact of product diversification strategy on the corporate performance of large Spanish firms', Espanish Economic Review, 4, 119–137.
8. Rumelt Richard P.1982. 'Diversification Strategy and Profitability', Strategic Management Journal, Vol. 3, No. 4, 359-369.
9. Seyed Hosseini SM, Ayranban SJ.2004. "New Product Development Strategy" The Approach of Results", Management Knowledge, No. 6 4, Spring 2004, Pp. 105-81.
10. Tehrani R, Babaei Zaklaki MA, Karimi K.2008. "The Effects of Diversity Strategies on Financial Performance of Manufacturing Companies of Tehran Stock Exchange" Journal of Financial Research, No. 25, Pp. 21 to 40.
11. Tehrani R, Vahed Ahmadian H.2006. Examining the relationship between Risk and Return on Stock of Manufacturing Companies listed in Tehran Stock Exchange, Journal of Business Research, 2006, No. 38, Pp 187 to 212.
12. Varadarajam P, Ramanujam V. 1987. 'Diversification and Performance: A Re-examination using a New Two-dimensional Conceptualization of Diversity in Firms', Academy of Management Journal, Vol. 30, No. 2, 380 – 93.

IMPACT OF 5S METHODOLOGY ON THE EFFICIENCY OF THE WORKPLACE: STUDY OF MANUFACTURING FIRMS

Dr. PALLAWI SANGODE
ASST. PROFESSOR
Dr. AMBEDKAR INSTITUTE OF MANAGEMENT STUDIES & RESEARCH
DEEKSHABHOOMI

ABSTRACT
5S is a basic framework of workplace organization that focus on sort, set in order, shine, standardizes and Sustain. This methodology is used to attain lean in the manufacturing system by eliminating the wastages that are about to occur because of the untidy, unhealthy work environment. This paper is an attempt to understand the implementation of 5S methodology by a set of manufacturing firms of Nagpur region. A sample of 10 manufacturing units was taken for the study. Chi-square test was used to prove the assumption that organizations that implement 5S attain efficiency in the work place. The study concluded that the organizations have a positive impact of the 5S implementation. The prominent benefits were that the right things were kept at the right place, continual improvement of the work place and improvement in the human relations & motivation.

KEYWORDS
5S methodology, lean, efficiency, productivity.

JEL CODES
M 10, M11.

INTRODUCTION
Every manufacturing system that attempts to attain lean system follows a methodology that defines the basic rules or guidelines to reduce waste and maintain an efficient, safe, and clean work environment. This methodology is the 5S framework which comprises of "sort", "set in order", "shine", "standardize", and "sustain". 5S was developed in Japan which meant *seiri, seiton, seiso, seiketsu,* and *shitsuke* was identified as a workplace organization method. 5S methodology which was widly popular in manufacturing firms is now is now being applied to a wide variety of industries comprising health care, education, and government. Although the origins of the 5S methodology are in manufacturing, it can also be applied to knowledge economy work, with information, software, or media in the place of physical product. (5S Methodology).

MEANING OF 5S
Seiri: It means to straiten up. That includes sorting of work-in-process, unnecessary tools, unused machines, defective products and papers and documents. (Bhat, 2015) Sorting's benefits include: a more effective use of space, simplified tasks, a reduction in hazards, and a significant decrease in distracting clutter. (5S: Sort, Set, Shine, Standardize, Sustain).

Seiton: It means putting things in order. Things are put in order that is ready for use when required. With an organized and efficient use of storage, everyone is easily able to locate important items and enjoy a less stressful work environment.

Seiso: It means to clean up. Every individual should clean the workplace every day to improve the work productivity (Bhat, 2015). Employees will feel more comfortable in this clean and uncluttered environment, which could also lead to increased ownership of the organization's goals and vision (5S: Sort, Set, Shine, Standardize, Sustain).

Seiketsu: It means personal cleanliness and good housekeeping practices. When these new standards and best practices are implemented, the old habits will soon die out and be replaced by the more efficient patterns of behavior (Bhat, 2015). New standards, however, will probably require some oversight and enforcement until they are habitual; reminders such as visuals and emails are effective tools to help these new standards become set in stone (5S: Sort, Set, Shine, Standardize, Sustain).

Shitsuke: It means discipline. Every worker and manager has to follow procedures in the workplace with utmost sense of discipline (Bhat, 2015). By putting a formal system in place that includes regular training and communication, employees will be able to comfortably conform to the company's 5S procedures (5S: Sort, Set, Shine, Standardize, Sustain).

Implementation of 5S methodology at workplace results in improved profits thereby reducing costs, streamlining the labor costs and improving the quality. Because of standardized procedures workforce becomes more efficient. It keeps the workplace clean and organized hereby increasing the safety. This ultimately reduces errors and defects and makes problem solving easier.

This concept was invented in japan but has been adopted by many non-Japanese companies. Indian companies also practice the principles of five S under the umbrella of their efficiency and quality initiative, Total Productive Maintenance (TPM) (Bedi, 2011).

OBJECTIVES
Every organization has its own best practices that contribute to the betterment of the organization in terms of employee involvement and motivation, efficient workplace, defect free environment etc. 5S is one such tool that most organizations implement in its internal workplace to improve the productivity. This research study aims at understanding the 5S implementation in different types of manufacturing set ups. Accordingly the objectives of this study are framed as under.

1.   ***To determine whether the manufacturing firms implement 5S methodology at their workplace.***
Organization whether manufacturing or services, implement 5S methodology for the reduction of wastage. But do these organizations have a standard platform for implementation of 5S? Do they know the concept of 5S? to answer these questions, the first objective was framed.

2.   ***To determine the impact of 5S strategies on the efficiency of these manufacturing firms.***
5S deals with sorting of unnecessary items for the necessary items, setting in order these items as per the use, keeping the workplace clean, standardizing and sustaining these 5S for making the manufacturing setup lean. But do these 5S impact the efficiency of the firm? Understanding this impact and advantage was the second objective of this study.

HYPOTHESIS
Implementation of 5S methodology has no significant difference on the efficiency of the Manufacturing firm.

LITERATURE REVIEW
(Agrahari, 2015)This paper on the Implementation of 5S Methodology in the Small Scale Indusrty concluded that implementation of 5S provides benefits to the organization in terms of Process development by cost reduction, Stock confinement, Better usage of workplace, Prevention of losing tools, Process growth, Increasing Efficiency, Shortening of time required for searching necessary things, Improvised working conditions for workers. Maintenance of clean and neat layout

has increased the number of customers. Machine maintenance cost has been reduced. The standards of the company increased. Improvement in safety has supported in reducing the injuries of workers. Travel time of materials is reduced which led to reduction of work hazards. It gives a scope for Workers participation in the work area design and maintenance. Slips and falls of the material have been reduced.

(J. Michalska, 2007) This paper on the 5S methodology as a tool for improving organization concluded the implementation of 5S resulted in stock decrease, prevention of losing tools, safety improvements, increased machine efficiency, elimination of accidents. With respect to standardize and sustain methodology the benefits listed were reduction of industry pollution, increased awareness and morale and improvement in interhuman relations.

(Ghodrati, 2013)This study on the 5S implementation showed that it has an active impact on performance of organization. This study was performed on different companies with different kind of products and services and showed that 5S has had effect on organizational performance of all of them. It could be concluded that 5S is a useful quality management tool causes to improve performance in any organization without any limitation on different kinds of products or services.

(Rai, 2016) This study analyzed that 5s has positive effect on employees as well as organizational performance but there is lack of awareness among employees except few high tech firm who are known for TQM implementation and few top managers from both SMEs as well as from high tech firms. SMEs need to focus on 5s technique of quality of quality management system. Another result comes out from the research is that employees are not feeling 100% responsible for 5s implementation this might be due lack of awareness and training for 5s.

(Young, 2014) This paper aimed at reviewing the use of 5S in health care sector. The study concluded that 5S can be applied to healthcare services with beneficial effects such as cleaner, organized, efficient workplaces for enhanced safety and increased productivity; reduction of inventory and supply costs and recapturing of valuable spaces and minimizing overhead costs. Sustain is a key to success.

RESEARCH METHODOLOGY

The population for the study was the small and medium manufacturing units of Nagpur region. 16 firms, 4 firms from each sector of chemical, manufacturing, agricultural products and automobile were put to the study. Out of 16 only 10 responded to the research survey.

Primary data was collected from the sample of 10 manufacturing organizations in in Nagpur city. A structured questionnaire was used to collect the data from the respondents. The instrument comprised of 20 questions on the implementation and efficiency improvement because of 5S methodology.

Secondary data was collected related to 5S methodology with the help of various published journals, books and internet sources.

TABLE 1: DISTRIBUTION OF THE FIRMS ACCORDING TO THE SECTOR

S. No.	Sector	Type of firm	Total no. of firms	Percentage
1	Chemical	Anodising and colour anodizing	2	20 %
		Powder coating		
2	Manufacturing	Textile manufacturing	2	20%
		Furniture manufacturing		
3	Agriculture	Farm division	3	30%
		Farm equipment sector		
		Dairy sector		
4	Automobile	Auto component	3	30%
		Tractor		
		Automobile sector		
	Total		10	100

DATA ANALYSIS

Overall twenty parameters on the impact of 5S on the efficiency of the firm were studied. The table below shows the average responses and the standard deviation of the responses of the respondents on the given parameters. It can be seen that lowest mean values are obtained for easy accessibility of Tools and equipment/ essential items, time saving due to sorting and marking the position of the main passages and places of sorted items. Here the standard deviation is seen highest for Removal of waste material, nonconforming products and damaged tools and Easy maintenance of machines and equipment. This shows that there is an inconsistency in responses of respondents. Some organizations find that sorting removes the wastage material from the workplace and shining brings easy maintenance of machines. Some do not find relevance of sorting in waste material removal from the workplace. Shining or keeping the workplace clean do not confirm easy maintenance of machines for some firms.

TABLE 2

5S		Improvement in the following parameters that define the efficiency of workplace	Mean	Std. Deviation
S1- Seiri	S1	Searching and receiving things/ tools	4.2	2.00
	S1	Maintaining the workplace clean	4.2	2.00
	S1	Removal of waste material, nonconforming products and damaged tools	4.7	3.08
	S1	Easy accessibility of Tools and equipment/ essential items	3.9	2.00
	S1	Time saving due to sorting	3.9	1.58
S2 - Seiton	S2	Marking the position of the main passages and places of sorted items.	3.9	1.58
	S2	Quick identification of items	4.2	2.55
	S2	Segregation of tools of regular use and specialized use	4.1	2.12
	S2	Reduction in time wasted in obtaining necessary items for an operation	4.1	2.00
S3 - Seiso	S3	Right thing is kept at the right place	4.8	2.00
	S3	Blockage removal	4.1	2.35
	S3	Easy maintenance of machines and equipment	4.7	3.08
	S3	Easy identification of faults and defects	4	1.58
	S3	improved productivity of the employee	4.4	2.35
S4 - Seiketsu	S4	Time saving due to standardization	4	1.87
	S4	Employees are adhered to their responsibilities	4.1	1.87
S5 - Shitsuke	S5	All the processes are carried out smoothly	4.3	2.55
	S5	Increased consciousness of staff.	4	2.00
	S5	Continual improvement of the organization/ work place	4.5	2.74
	S5	Improvement in the human relations & motivation	4.5	2.55

TABLE 3: SECTOR WISE SCORE AND MEAN f 5S

Sector		Sort	Strengthen	Shine	Standard	Sustain	5S
Chemical	Score	39	29	45	30	38	181
	Mean	19.5	14.5	22.5	15	19	90.5
Manufacturing	Score	42	34	44	34	44	198
	Mean	21	17	22	17	22	99
Agriculture	Score	58	50	59	49	65	281
	Mean	19.3	16.6	19.6	16.3	21.7	93.5
Automobile	Score	70	50	66	55	69	310
	Mean	23.3	16.6	22	18.3	23	103.2

The above table shows that mean response on the impact of 5S methodology on the efficiency of the firm is highest for automobile manufacturing sector. The lowest mean is seen for the agriculture manufacturing sector.

TESTING OF HYPOTHESIS

Data was collected on a likert scale of 5 points. The assumption made for this study was that 5S methodology implementation in an organization does not have any difference on the efficiency of the workplace. The null hypothesis of the study was that there is no significant difference between the implementation of 5S methodology and efficiency of the workplace. This hypothesis was tested using Chi-Square test. Here the expected responses from all the respondents were on the neutral side. This meant that the organizations that implemented 5S methodology had efficiency in their workplaces.

The significance level was considered to be 5%. And the degree of freedom (n-1) was 9. At 5% significance level the result obtained were as below.

TABLE 4

5S	p value	α = 0.05	Accepting/ rejecting Null Hypothesis
Seiri	0.14	p value > α	Accept Ho
Seiton	0.16	p value > α	Accept Ho
Seiso	0.13	p value > α	Accept Ho
Seiketsu	0.21	p value > α	Accept Ho
Shitsuke	0.09	p value > α	Accept Ho

The Chi Square test proves that for all the 5S components, the null hypothesis has to be accepted. This means that when the organization implements all the components of 5S methodology, the overall efficiency of the organization increases. Highest p value was obtained or the fourth S that is 'Standardize'. This meant that the organizational efficiency was high due to the major contribution by the standardization of the first 3 S of the methodology.

FINDINGS AND CONCLUSION

The research study on the ten manufacturing units showed that 5S implementation has a remarkable impact on the workplace efficiency improvement. Automobile units of manufacturing sector showed highest mean on the efficiency level. Thus it can be concluded that proper sorting of things, setting in order all the required items based on the frequency of requirement, maintaining the workplace clean and tidy directly contribute to the productivity. Standardizing and Sustaining the first three S result in easy maintenance of machines and equipment, easy identification of faults and defects, improved productivity of the employee.

Employees also feel motivated to work, they are adhered to their responsibilities. Increased consciousness of staff is attended which ultimately results in continual improvement of the organization thereby contributing to the important principle of total Quality management.

REFERENCES

1. 5S Methodology. (n.d.). Retrieved from Wikipedia: https://en.wikipedia.org/wiki/5S_(methodology)
2. 5S: Sort, Set, Shine, Standardize, Sustain. (n.d.). Retrieved 12 2017, from http://www.sixsigmadaily.com: http://www.sixsigmadaily.com/5s-sort-set-shine-standardize-sustain/
3. Agrahari, R. S. (2015, April). Implementation of 5S Methodology in the Small Scale Industry: A Case Study. International Journal of Scientific &Technology Research, 180-187.
4. (2011). Five S. In K. Bedi, Quality Management (p. 480). Oxford University press.
5. (2015). In K. S. Bhat, Total Quality Management (p. 364). Himalaya Publishing House.
6. Ghodrati, A. (2013, March). The Impact of 5S Implementation on Industrial Organizations' Performance. International Journal of Business and Management Invention, 2(3), 43-49.
7. J. Michalska, D. S. (2007, October). The 5S methodology as a tool for improving the organisation. Journal of Achievements in Materials and Manufacturing Engineering, 24(2), 211-214.
8. Rai, P. (2016, January). EFFECTIVENESS OF 5S IMPLEMENTATION ON ORGANISATIONS PERFORMANCE. Abhinav International Monthly Refereed Journal of Research in Management and Technology, 5(1).
9. Young, F. Y. (2014, September). The Use of 5S in Healthcare Services: A Literature Review. International Journal of Business and Social Science, 5, 240-248.

CONSUMER CHOICE AND CHOICE OVERLOAD: A DECISION MAKING PERSPECTIVE

MALEEHA GUL
ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT STUDIES
UNIVERSITY OF KASHMIR NORTH CAMPUS
KASHMIR

ABSTRACT

People choose as part of their everyday life; they choose right from the time they wake up and until the time the day is over. Marketers have always believed that more choices are better for customers and more the choice, better off the customers will be. If we go by the logic of classic economic theory, this is the ideal state for consumers. However, recent research evidence from western literature indicates towards the belief that having too many choices is not so good a thing for the consumers. Researchers in the west argue and deliberate about the negative consequences of choice and its detrimental effect on consumer decision-making. Research in the area of choice overload has revealed that too many options result in difficulty in making a purchase decision. Comparing and making a decision from and within large assortments is time consuming and involves a lot of effort and hence is not desirable. The current research does review of literature, which almost spans a period of 40 years, so as to understand choice as a concept and how people make choices. The research then discusses the phenomenon of choice overload in detail by providing both theoretical and empirical evidences. Inspired by the work of Iyengar (2000), retail boom in India and sudden influx of choices in retail, this research has tried to investigate the phenomenon of choice overload in the Indian context. Availability of variety products, alternative versions, brands result in abundance of shopper's choice. The present exploratory study, using in depth interview method, attempts to reveal the impact of the abundant choices on shopper's positive feelings, experiences and attitude in a modern trade outlet context. The study also concludes with several implications those are sure to enable retail outlets improve their marketing performance.

KEYWORDS
marketing, choice overload.

JEL CODE
M31

INTRODUCTION

Marketers have always believed that more choices are better for customers and more the choice, better off the customers will be. If a customer is able to make a choice from large assortment, he or she is able to buy the product that exactly satisfies his needs and wants. In this way, marketers design products that meet needs of their customers and thus we witness increase in the number of products that are available to customers. Therefore, marketers in their objective to match preference profiles of target customers have bombarded the customers with many options and choices. In today's world, we witness a massive growth in number of categories, number of brands and options. If we go by the logic of classic economic theory, this is the ideal state for consumers. However, recent research evidence from western /US literature indicates towards the belief that having too many choices is not so good a thing for the consumers. Researchers in the west argue and deliberate about the negative consequences of choice and its detrimental effect on consumer decision-making.

Researchers have come up with many reasons to explain why too many choices in the marketplace and otherwise lead to decreased motivation or less post purchase satisfaction. Research in the area of choice overload has revealed that too many options result in difficulty in making a purchase decision. Comparing and making a decision from and within large assortments is time consuming and involves a lot of effort and hence is not desirable. People have resulted in making suboptimal decisions while making choices from amongst too many options. Even though people will make a choice, they will feel regret for the option not chosen which was almost as attractive as the one they chose, the second best alternative. Research has also reported that people are not able to justify the choices that they make from large assortments.

Today, consumers' lives and marketing world are not simple anymore. We are bombarded with choices in every aspect of our daily lives; be it the clothes we buy, the mobile phones we can use, the mobile phone services available to us, the number of TV channels we can watch, the amount of DVDs we can buy, the number of products in a hypermarket. Until very recently, Indian consumers did most of their shopping at neighborhood stores that carried a small selection of items in a few different product categories. In these local neighborhood stores (popularly known as mom and pop stores or Kirana stores) choices are few and the storekeeper acts as the filter between the shopper and the products. Thus choosing was relatively easy decision that could be made with minimal effort. However, with the advent of modern trade in India, the face of grocery shopping has completely changed. The size of retail stores has expanded, so has the number of product categories offered and the number of items in each category. Research suggests that when consumers choose from a shelf offering few alternatives, the decision process is relatively easy but when a consumer is faced with countless products, attributes and variants, finding a product that best matches one's preferences is not an easy task.

The Indian retail industry has witnessed a phenomenal transition from an unorganized sector to modern organized retail formats. According to Indian retail industry report (2018), the Indian retail sector was estimated to be $ 672 billion in 2016. In the year 2017, organized or modern retail had a 7 percent share in the total sector while the remaining 93 percent share came from unorganized retail. The overall retail sector in India is projected to reach $ 1.1 trillion by 2020 thereby witnessing an annual growth of 12 percent. The estimated growth rate for organized retail is 20 percent per annum while as for the unorganized retail is 10 percent per annum. The modern trade format has established a strong foothold for itself in the Indian market. Consumers who are using the MTO are on the rise. According to Nielsen Company, arrival of MTO has had an impact on small grocers of India. Since 2006, when most big retailers either entered the retail space, sales in local Kiranas have grown in the low single digits, even less than the GDP growth rate. On the other hand, MTO has grown in strong double digits, though at a much lower base. As per the Nielsen Company, modern trade outlets account for 10 percent revenue of the FMCG sector in India. The growth of MTO stood at impressive 25 percent in year 2018 as opposed to 16 percent in 2017. According to a research conducted by Firstcall Research (2018), the share of urban retail is expected to grow to 52 percent in 2019 from 49 percent in 2016.

The current research does review of literature, which almost spans a period of 40 years, so as to understand choice as a concept and how people make choices. The research then discusses the phenomenon of choice overload in detail by providing both theoretical and empirical evidences. Inspired by the work of Iyengar (2000), retail boom in India and sudden influx of choices in retail, this research has tried to investigate the phenomenon of choice overload in the Indian context. Availability of variety products, alternative versions, brands result in abundance of shopper's choice. The present exploratory study, using in depth interview method, attempts to reveal the impact of the abundant choices on shopper's positive feelings, experiences and attitude in a modern trade outlet context. The study also concludes with several implications those are sure to enable retail outlets improve their marketing performance.

REVIEW OF LITERATURE

UNDERSTANDING CONSUMER CHOICE

A consumer choice typically consists of a set of alternatives, each described by several attributes. Options can be comparable when they belong to the same product category, say for instance choosing amongst different mobile phones. Individuals are sometimes choosing amongst alternatives not belonging to the same category, such as making a choice between buying a new car or going for a vacation; such choices are called non comparable (Bettman, Johnson, and Payne, 1991). Researchers from disciplines of psychology and economics have ascribed choice to be essentially a cognitive process, and both usually assume that the consumer knows what he or she wants. Economist lens looks at a consumer as a rational being who is capable of seeking, processing and using information in order to achieve goals for fulfillment of needs (Foxall, 2003). Rational choice theory propagates that consumers have predetermined preferences that do not depend on the options; consumers have ability to calculate which option will maximize his or her value (Bettman, Luce, Payne, 1997). This assumption, called value maximization (Simonson and Tversky, 1992), underlies the classic economic theory of the consumer. The classical theory of choice assumes that preferences are complete and information processing is costless (Dhar, 1997). The rational choice theory is argued by many to be flawed and have strongly recommended bounded rationality theory (Simon, 1955). Extant research now suggests that owing to bounded rationality and problems in information processing, consumers do not have predetermined preferences, but are constructed when a choice decision is being made (Bettman, Luce, Payne, 1997). Various psychologists suggest that people do not always hold stable and clearly ordered preferences. On the contrary, most of the time, people do not know their preferences before decision-making, but they construct them on the spot during the decision process.

When faced with a few alternatives, people use compensatory choice strategies; however, when faced with multiple alternatives, they resort to non- compensatory strategies (Bettman, Johnson, Payne, 1991). Making choices is a part of everyday life of a consumer, but choosing becomes difficult due to several reasons. Bettman, Johnson and Payne (1991) have said that difficulty in choices increases: 1) when number of alternatives and attributes increase 2) when some specific attribute values are difficult to process 3) when there is a great deal of uncertainty about the values of many attributes; 4) when the number of shared attributes becomes smaller 5) when there are more attributes that are difficult to discount or trade off. According to bounded rationality theory, propounded by Simon (1955), decision makers have limitations on their abilities for processing information and mental processing capacity should be viewed as a scarce resource. Bounded rationality theory is opposing to the rational consumer view of economists, who believe consumers are extensive information processors. The perfect rational consumer theory propounds that after seeking maximum information on all the alternatives, a consumer makes tradeoffs that allow him to compute utilities for each alternative, and selects the alternative that maximizes the utility (Bettman, Payne and Johnson, 1991). The fact that humans have limited information processing capacity is ignored. Humans have limited working memory and limited computational capabilities (Simon, 1972); the amount of information a consumer may be able to process in any given amount of time is not infinite.

HUMAN ABILITIES ARE LIMITED: INFORMATION OVERLOAD

Behavioral sciences researchers have shown ample evidence of limits to the human ability to assimilate and process information at any point in time; behavior of humans might become dysfunctional after limits get surpassed (Jacoby, Speller and Berning, 1974). Researchers have found that subjecting consumers to too much information, leads them to make less accurate decisions. Jacoby et al (1974) feels that a supermarket is the typical example of information overload where a typical consumer is subjected to aisles containing hundreds of brands. Time pressure is another dimension that a typical consumer shall get subjected to in a supermarket as the purchase decision in a short duration. Empirically it was found that there is, "a positive linear relationship between amount of product information and subjective feelings of satisfaction and certainty, a negative linear relationship with confusion, and a curvilinear (information overload) relationship between amount of information and the accuracy or the "correctness" of the purchase decision. The ability, to select, correctly the "best" brand was demonstrably poorer at both low and high levels of information load compared to intermediate levels" (Jacoby et al., 1974). Mick et al (2004) also cites in his review, "it is proved that increasing the information load above a threshold led to choice processes based on simplifying rules, which produced lower quality choice outcomes relative to a normative standard". These results are of importance in the context of the present paper. In the Jacoby et al (1974) study, the information presented to consumers was varied on two main dimensions; the total number of alternatives and the number of dimensions per alternative. We are interested in both these dimensions. In another research done by Russo (1974), the findings were quite the opposite; people's confusion was due to less information and not more. He concludes that there are no detrimental effects of information overload as people take enough time to process the information and after making a decision, feel satisfied. While information overload has been of lot of interest to researchers, with initial research pioneered by Jacoby et al (1974), there is not much consensus regarding it amongst researchers.

CHOICE OVERLOAD AND CONSUMER DECISION MAKING

It has been speculated that having too many options creates an unpleasant experience that has been labeled choice overload (Iyengar&Lepper, 2000; Scheibehenne, Greifeneder, & Todd, 2010). Choosing amongst too many alternatives increases the demand on a person's cognitive resources, leading to cognitive overload (Chernev, 2003). Prior research in the fields of psychology and consumer behavior has suggested that people can get overloaded with too much choice because of the cost associated with thinking, popularly known as cognitive costs. Choosing from larger choice sets increases the cognitive costs involved in evaluating the relative attractiveness of each option so much that it can impair rational decision making (Botti and Iyengar, 2006). When subjected to a large assortment of options, consumers have to evaluate the relative attractiveness of each option, which eventually impairs rational decision making (Botti and Iyengar, 2006). Choice overload, aside from creating a cognitive constraint within people, also leads people to make suboptimal decisions especially when they have do not have preestablished preferences (Botti and Iyengar, 2006).

Choosing among many alternatives promotes subjective feelings of regret and dissatisfaction with the outcomes of the choices (Schwartz, 2000; Schwartz et al., 2002). Abundant choice creates the opportunity for making too many tradeoffs which leads to anxiety and psychological stress among consumers (Shwartz, 2004). Iyengar and Lepper (2000) suggest that although increased choice is perceived as desirable, it has also been seen that the provision of choice may lead to inhibition to make a choice or deleteriously affect a decision maker's well-being after a choice is made. Laboratory experiments and field data suggest that larger choice assortments make consumers develop a stronger preference for simpler options that can be easily understood (Iyengar & Kamenica, 2007). A person's participation decreases if his participation requires choosing from amongst large number of alternatives (Iyengar & Lepper, 2000). Selections made from larger assortments can lead to weaker preferences (Chernev, 2003). Consumers' confidence lessens when they choose from larger choice sets as compared to smaller assortments (Iyengar & Lepper, 2000; Chernev, 2003). We can conclude that when consumers are subjected to a large assortment, they become reluctant to select options they do not understand well and hence a larger choice sets induces people to prefer smaller and simpler options.

CHOICE OVERLOAD: EVIDENCES FROM LITERATURE

The concept of choice overload was first introduced by a French philosopher Jean Buridan, who theorized that when organism is faced with two equally alluring options, such as a donkey between two piles of hay, would delay making a choice (cited in Park & Jang, 2012). Miller (1944) by means of an experimental study revealed that that giving up an attractive option to obtain another attractive option might lead to mental conflict and deferring making a choice. Lewin (1951) reported in his study that choices among attractive but mutually exclusive alternatives lead to more conflict as the options become more similar. Lipowski (1970) suggested that choice conflict increases with the number of options, which in turn leads to confusion, anxiety, and an inability to choose.

More recently, Iyengar and Lepper (2000) demonstrated in a series of three experiments, that having more choices might seem quite desirable initially, but may sometimes cause harmful consequences for human motivation and satisfaction. They set up a tasting booth in an upscale grocery store, Draeger's, located in Menlo Park, California, that displayed either 6 different flavors of jam or 24 different flavors. They monitored the traffic at the tasting booth, discovering that whereas 60% of the passer by stopped to sample one of the displayed jams when there were 24 flavors, only 40% stopped when there were 6 flavors. However, comparisons of purchase behavior revealed that of the customers attracted to the jam in the extensive choice condition, only 3% purchased a jar of jam, whereas 30% of the customers who encountered the limited display bought a jar. In study 2 which conducted in a university class, it was revealed that students in an introductory college level course were more likely to write an essay for extra credit when they were provided a list of only 6 potential essay topics rather than 30. Moreover, even after having chosen to write an essay, students wrote higher quality essays if their essay topic had been picked from a smaller rather than a larger choice set. Finally, Study 3, a lab experiment, demonstrated that people reported enjoying the process of choosing a chocolate more from a display of 30 than

from a display of 6. However, despite their greater initial enjoyment in the extensive-display condition, participants proved more dissatisfied and regretful of the choices they made and were subsequently considerably less likely to choose chocolates rather than money as compensation for their participation. The results of this experiment suggest that when there are an overwhelming number of options, the subjective experience of one's chosen alternative may be less pleasurable than when there is a more limited number of alternatives. Iyengar and Lepper (2000) empirically prove that choosers in extensive-choice contexts enjoy the choice-making process more (presumably because of the opportunities it affords), but also feel more responsible for the choices they make, resulting in frustration with the choice-making process and dissatisfaction with their choices.

Consistent with the results of Iyengar and Lepper's benchmark study on choice overload, Schwartz e t al. (2002) suggested that choosing amongst too many options get moderated by differences in temperament amongst different individual types.

Chok and Brozyna (2011) have extended the choice overload framework to the experiences of human services workers, employees of a nonprofit residential school serve individuals with autism and other disabilities, and often face many options concerning the type of treatment strategy that may be employed in a given case. The results revealed that participants would tend to choose the limited-options scenario more often than the single-option scenario indicating, "options are good". Secondly, the extensive-options scenario would be preferred over the limited-options scenario, but only when the number of options that it presented was slightly higher than in the limited-options scenario. Otherwise, preference for the extensive-options scenario decreased as the number of treatment options increased (can be attributed to growing search costs).

Haynes (2009) conducted a study in which participants were presented with descriptions of prizes and were told that their task was to choose one prize for which their name would be entered in a drawing. The results revealed that participants, who had more options to choose from, enjoyed the task more than those who had fewer options however they (ones with more options) found the decision to be frustrating and difficult compared to ones with limited choice. This result is consistent in findings with that of Iyengar and Lepper (2000). Also revealed in the study was that, participants with the larger option set were less satisfied with their decision than did participants given the limited option set.

Iyengar, Huberman, and Jiang (2004, cited in Botti and Iyengar, (2006) found that when availability of funds in a 401(K) plan were increased, the participation of people in the plans decreased; for every additional ten funds, the individual participation probability declined by 2%. There was 72% participation when 5 funds were included; 67.5% participation for 35 funds and only 61% participation for 56 funds. Diehl (2005, cited in Botti and Iyengar, 2006) has empirically shown that when a seller in an online context offered consumers with top 50 rather than top 10 alternatives, people chose lower quality options. People searched too much and when confronted with large assortment of low average quality options, became insufficiently selective.

Maxwell (2005) conducted a study to find the impact of number of choices on the consumers' willingness to purchase. This study demonstrated that when consumers are exposed to too many choices and when the price range is high, the consumer results in judging the price to be less fair and also is susceptible less likely to make a purchase.

Walsch & Mitchell (2005) conducted as study with 264 consumers in north Germany, which revealed that consumers who mostly experienced marketplace decision difficulty (MPDD) were mostly, older, less well-educated female consumers.

Shah and Wolford (2007) found that the percentage of participants who were motivated to buy a black pen decreased from 70% when choosing from a small assortment (8 to 14 pens) to 33% when choosing from a large assortment (16 to 24 pens).

Herrmann & Heitmann (2006) proposed that independent consumers in individualistic cultures like to have more choice, display variety-seeking behavior and emphasize on personal freedom.

Sela, Berger and Liu (2009) by means of five studies demonstrated that since choosing from larger assortments is not easy for consumers, it often makes them choose options that are easy to justify.

Park and Jang (2012), conducted a study with students planning to travel during Spring Break to two destinations, Orlando and Aca- pulco to examine the choice overload phenomenon in tourism products.

NEED OF THE STUDY

The retail-shopping scenario in India has changed dramatically in the recent years. Some years ago, Indian consumers did most of their grocery shopping at the neighborhood stores that displayed a selection of small items in a few different product categories. Shopping for household products was easier as the choice would be made between a fewer number of items such as a between a handful of detergents or a few number of biscuits. Nowadays shopping hasn't remained as simple since with the expansion of the size of retail stores, the number of product categories offered and the number of items in each category has burgeoned multifold. The amount of choice available in a typical modern trade outlet (MTO) such as Big Bazaar is astounding. A store like Big Bazaar or an upmarket store like Le Marche stocks 300 different varieties of soaps; 190 different kinds of biscuits; 220 varieties of deodorants; 4 different kinds of cornflakes with Kellog's alone having 14 variants; olives have 8 different brands with each brand having different kinds like black olives, green olives, black pitted, spanish whole black, sliced greens, whole greens, green pitted and so on.

With the growth of modern retail in India, it is important to examine the factors that affect the consumer's shopping experience in the changing retail environment. It is pertinent to mention that although there is substantial literature on consumer motivations, expectations and shopping orientations in the Indian context, there exists a need for studying impact of choice overload on consumers in urban India.

STATEMENT OF THE PROBLEM

Keeping in line with recent research evidence from western /US literature that indicates towards the belief that having too many choices is not so good a thing for the consumers. Researchers in the west argue and deliberate about the negative consequences of choice and its detrimental effect on consumer decision-making. **Therefore, the main purpose of this paper was to understand the perception of Indian consumers towards the variety and choices that are available to them in the Indian marketplace.**

RESEARCH OBJECTIVES

The following research objectives have guided this research:
1. To gather expert opinion about retail boom in India and how it has impacted the shopping behavior of people
2. To identify expert opinion about the existence of choice overload phenomenon in organized retail
3. To understand consumer grocery shopping experience in general and in MTO setting in particular
4. To examine the impact of the abundant choices on shopper's, experiences on shopping attitude in a MTO context.

RESEARCH METHODOLOGY

The study is exploratory in nature and attempts to develop understanding about the impact of abundant choices on an Indian shopper. It also allows us to develop hypotheses that can extend the body of knowledge in the area of choice and choice overload. In this study ten expert interviews were conducted each of which lasted for around 60 to 90 minutes. A semi structured discussion guide was prepared using the literature on choices and choice overload and Indian retail scenario. The experts were chosen based on the judgments of the researcher as most valuable recommendations were sought that could guide the development of the present paper. Thirty in depth interviews were also conducted with consumers all of who were females. All the respondents were raised and educated in New Delhi, India. Some of the respondents are presently working while a few are full time homemakers. They reported that they do their grocery shopping themselves and they were chosen to get varied and range of opinions regarding shopping and choices. They were chosen on basis of the convenience of the researcher. A fully structured discussion guide was prepared which was fine-tuned with help of excerpts from the expert interviews.

The author of the paper conducted all the interviews. Respondents were given a description of the study and were asked to fill a personal information sheet requesting demographic information. The author conducted the main interviews in the form of a dialogue and all the interviews were recorded. While a structured

discussion guide was used during the interviews, many new probing questions were used, as deemed necessary, for further explanation and examples that added breadth and depth to their answers. Using the procedure advocated in qualitative research, all applicable comments for each research question were selected and grouped into "themes" that reflected the comments' underlying meaning.

RESULTS & DISCUSSION

The expert interviews revealed some interesting insights with respect to the organized retail shopping in India. According to them, consumer-shopping experience has become pleasurable and less mundane with the advent of organized retail formats. Ten years back when the modern trade started in India, it had a wow factor associated with it and people were apprehensive. However, with time and with the level of exposure and income rising amongst Indian shoppers, people have become not only used to shopping in a MTO but all the more demanding. MTO also works for shoppers if there is locational proximity as they will always do a mental cost benefit analysis and hence choose the place of shopping. Also with people shopping at MTO's the amount of excessive and impulse buying has increased. MTO's are mainly used by shoppers for their monthly planned shopping whereas the regular top ups are done at the nearby kirana stores. In Indian market both formats, that is MTO and Kirana stores co-exist for the shopper. People in India are used to the personal touch and trust that they have on the neighborhood store and MTO's can never replace that. Brand conscious and price conscious consumers can choose easily amongst a vast array of options. Customers can make informed choices when they make a purchase decision and do so with ease and comfort. Shoppers these days are aware and choosing is not really very difficult for them. In fact providing customers with newer options and wider ranges is important to keep them excited about purchases that they make. Choices make shoppers feel good about what they buy and have sense of empowerment as they are able to choose out of so many brands. Earlier buying grocery was a mundane activity but now it allows them to exert their knowledge and feel a sense of freedom. Consumers do seek variety in the goods they buy but there should be a limit to the number of those options. As the number of variants increase in a category, the number of attributes also increase and beyond a certain point it becomes difficult for customers to differentiate amongst them. This usually tends to happen in evolved and saturated categories say for examples in shampoos or say tea. In such categories, consumers do not benefit as they stick to status quo and basics as making choice becomes difficult. However, a sense of regret or dissatisfaction usually doesn't creep in. A sense of regret will happen only when investment is high and expectations are not met. A contrasting opinion talks about the benefits of giving consumers lots of choices. Shoppers have become aware and experimental and they feel upset if they don't have many options available to them. They want everything under one roof and all types of branded, imported and private label products. Indians are witnessing a change in modern retail and they are enjoying this sense of change. With rising disposable incomes, they feel they have the right to exercise their choice and buying in a MTO enables them to do so.

In-depth interviews with consumers revealed varying insights when it comes to abundant choices available in a MTO setting. When asked what shopping means to consumers, they reported that shopping means fun and enjoyment for them. Women like to shop as it makes them feel good and relieves them of the stress of their daily lives. It gives them happiness, satisfaction and feel good factor. It was pointed out earlier that close proximity to MTO's is key factor in shopping from there. However, consumer DI's revealed that while they used to shop at MTO's earlier, they have stopped doing so. They prefer shopping at stores that are known to them for many years. These stores may not be spread over an area as big as that of a MTO, but stock all kinds of product categories and enormous number of brands. Respondents said that they have everything that they need and the format is also very similar to a MTO as they have display of products in aisles and have freedom to choose their products. The reasons revealed for the shift to buy at personally known stores was trust and personal touch. While branded products would remain of same quality across stores, a sense of distrust has even crept into them. One respondent said: "I *feel doubtful of things that I buy there; I feel they are fake and don't trust their products".* Another respondent said: "I *feel the MTO stocks a lot of private labels which are of low quality and I really don't like that about them. I don't get a good feeling at all".*

While all of them have been exposed to shopping at MTO's, but excessive buying seems to fill them with sense of dissatisfaction. One respondent said: *"I was a regular buyer. I stopped after 6 to 7 months as excess buying left me with bad feeling"*

Respondents reported that while they do go for grocery shopping with a list of predetermined preferences, but the preferences generally change once they make a purchase. Once they stand in front of an aisle with different brands and variants, they enjoy choosing and spotting a new brand. The opinion of salespersons is also valuable in such cases. One respondent mentioned that she completely relies on the sales person's suggestion while making the final decision.

One of the respondent reported that changing preferences completely depends on the product category. For instance, in a category like spices or any ingredient of food, preferences are long established and no amount of choice can change them. Whereas, in case of categories such as shampoos, moisturizers, body washes, cheese's, preferences easily change in the store.

A housewife reported enjoying the process of choosing amongst several brands and in fact wishes to change brands frequently. She reported that: *"I like to experiment and buy new brands every time I go shopping. While usually I am open to change, but if I don't know much about the brands on display and get no on spot advice, I will buy the brand I always do."*

It was reported that choices are welcome in most of the categories but in categories where brand choice is established, having choices may be actually unpleasant. It's easier to spot the exact brand quickly and have fewer options. However, in categories in which respondent wants to try new things and experiment, more and more choice is welcome. In fact, it was found that having many choices make consumers glad when level of involvement with the product is high.

Almost half of the respondents claimed that they feel no sense of confusion while making a purchase decision in a store from many options. The rest of them said that if there are many options, a small amount of confusion does happen but does not last long. While confusion occurs but there is no negative feeling associated with the confusion. A respondent reported saying that: *"For categories that I like and have high involvement, I will like to have more choices and thereby I enjoy the confusion".* This usually happened in categories where the difference in attributes was very minimal and hence let to difficulty in making a decision.

FINDINGS

Experts were interviewed regarding their views about the changing retail scene in India; the impact of organized retail on buyer's shopping behavior; changing shopping patterns and finally the existence of choice overload in Indian grocery shopping. Respondents who do their monthly grocery shopping at MTO's were interviewed regarding their perceptions towards grocery shopping; how it has changed over time; their shopping preferences and behaviors and finally their perception and belief towards choices available to them in a grocery shopping environment.

CONTENT ANALYSIS

Using the procedure advocated in qualitative research, all applicable comments for each research question were selected and grouped into "themes" that reflected the comments' underlying meaning.

TABLE 1: EXPERT INTERVIEWS

Theme	Sub Theme	Statements
Impact of MTO on grocery shopping behavior	Shopping Experiences	Shopping has become a pleasurable experience for consumers There is a wow factor associated with shopping in a MTO
Impact of MTO on grocery shopping behavior	Demanding Consumers	Urban shoppers like to take advantage of discounts/schemes and offers in MTO Shoppers stress on service; they don't like long queues Time is of essence to consumers Locational proximity is a concern when they think of shopping in a MTO Consumers now have many choices in form of stores and brands, and they know it
	Both MTO's and Kirana stores coexist in India	People do their monthly planned shopping in MTO's and regular top ups from nearby Kirana stores MTO's can never replace the personal touch of Kirana stores
Impact of MTO on grocery shopping behavior	Changing Shopping Patterns	Because of MTO's people engage in impulse buying MTO's encourage excessive buying Shopping at MTO's provides shoppers especially women with feeling of "sensible and pragmatic homemaker" MTO's are also a way of launching new products and creating awareness about them
Impact of choices on customers	Positives	Choices enable consumers to make informed decisions A customer, while shopping from a huge array of options feels comfortable and empowered If the product category is not very saturated, choices are beneficial for customers
Impact of choices on customers	Negatives	If product category is very evolved and saturated, choices start becoming harmful for customers Too many options start diluting the positioning of a brand Choice can confuse a customer beyond a certain level Where too much choice is concerned, customers are not benefitting from it Choice in excess, harms both customers and manufacturers
Impact of choices on customers	Different types of customer deal differently with choices	When preferences are predetermined, choosing is easier Choosing and making a purchase decision out of too many options is easier for brand conscious, price conscious customers Customers nowadays are aware and hence enjoy making a choice
Consequences of Choice on consumers	Positives	Young and experimental shoppers enjoy having many choices Customers these days, especially young customers like to try new brand every time Choices and options keep customers excited People enjoy to exert their freedom by means of making complex decisions Having many choices, fills customers with sense of pride
Impact of Culture and Kind of market on shoppers	India is a complex and young market	India is quite young in organized retail and hence its too early to talk about choice overload Culturally, Indians want a mix of everything and also too much of everything and hence the need for choice India is a disparate market and hence preferences change too often

TABLE 2: IN DEPTH INTERVIEWS

Theme	Sub theme	Statements
Shopping	General Shopping	Shopping makes me feel younger than my age Shopping is fun and tempting Shopping makes me feel very happy Shopping gives me a sense of satisfaction I feel relaxed while shopping
Shopping	Grocery shopping	It is serious and planned It's task oriented
Shopping place preferences	Stores that are known to shoppers	Trust is an important factor in shopping and hence prefer shopping at this store from where we have been buying always We feel personal touch at this store I feel quality is much better than other stores There are many choices available to us; all kind of brand both imported and domestic. We don't feel we are missing out on any product or brand
Shopping place preferences	MTO's are not preferred places of shopping	I used to shop at an MTO; I stopped doing that I feel the products are fake and quality is inferior I stopped shopping because personal touch is missing
Shopping experience in MTO	Positives	It is very convenient to shop in a MTO MTO's are very systematic; I like that about them I feel attracted when I enter a MTO I like the fact that everything is under one roof
Shopping experience in MTO	Negatives	I feel lost in a MTO and can't spot the product I am looking for I don't like long que's and billing cycles I end up buying stuff I don't need when I shop in MTO; afterwards I feel bad and dissatisfied I feel dissatisfied with quality of goods there, for example the containers I bought there were of inferior quality
Impact of choices on shoppers' behavior and perception	Positives	I like to change brands frequently and having choices helps me do that I am open to change and hence change brands often Choosing amongst many options makes me feel good I feel glad that I can choose amongst many brands I never faced any difficulty in making a decision
Impact of choices on shoppers' behavior and perception	Negatives	At times, too many options confuse me I sometimes can't decide and defer my decision to my husband.
Impact of choices on shoppers' behavior and perception	Product category and Involvement are important factors	Whether choice is welcome or not depends on the product category In categories where brands are tried and tested, I don't like too many options as that makes my task complex In certain categories, I like to have as many options as possible Sometimes choices confuse me but if I am involved with my purchase decision, I enjoy the confusion and love making the decision

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT   21

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

http://ijrcm.org.in/

RECOMMENDATIONS / SUGGESTIONS

A lot of empirical evidences point towards the existence of choice overload phenomenon and the negative consequences of having too much choice in the marketplace and otherwise. Since all the evidences in the literature were based on experimental and other studies in the west, nothing much was known about its existence in the Indian market. In the current paper the same has been investigated in the Indian context.

Choices begin to have a detrimental effect depending on the stage of the market. Having too many options is negative for US consumers as the market has become very mature. India is going through the second phase of retail revolution and at this stage consumer are becoming demanding by the day.

Understanding how a consumer chooses faced with almost infinite choices, is of considerable importance for managers. Companies cannot simply go on making new products every day; it has been proved that consumers do not like making tradeoffs and hence may choose a brand that helps him or her avoid doing so. Decreased satisfaction or motivation due to having too much choice requires marketers to rethink their practice of providing ever-increasing assortments to choose from. Whether or not companies should keep on adding new options to the product line depends upon how saturated the product category is. Competitive advantage can only be achieved by careful planning and decision making.

While the Indian consumers is not yet feeling baffled by too many options, however there definitely exists the need to make the process of choosing attractive, easier and less confusing. Iyengar and Agrawal (2010) have offered the following alternatives for businesses to make choosing beneficial both for customers and companies:

a) Cut the number of options.
b) Create confidence with expert or personalized recommendations.
c) Categorize your offerings so that consumers better understand their options.
d) Condition consumers by gradually introducing them to more-complex choices.

CONCLUSIONS

The conclusion is written in two parts; conclusion from literature review of western/US studies and after the qualitative study using in-depth interviews was conducted with Indian experts and consumers.

Consumer preferences are affected by the context of choice (Bettman, Johnson, and Payne) and decisions made by consumers are heavily influenced by perception of the environment and understanding of the events which is very individualistic and may not always be in the process of deriving maximum utility from choices. However, it is also true that people do have stable and firm preferences for various situations or products. Various studies and their empirical evidences lead us towards one emerging thought of choice overload phenomenon. When the number of options increases, decisions become more complex, difficult and frustrating. People also become less satisfied when they have made their choice from a large choice set as opposed to smaller choice set. The evidence of choice overload does not only exist in a consumer scenario, but almost in every aspect of human life. It has been reported, that today US publishers publish twice the number of books they did some ten years back; the number of television channels are overwhelming (in India the number is 700); the number of telecom service contact options are increasing every day; the list is endless. We have more than what we can consume. So do we need to simplify? There are largely varying thoughts on this; research in economics and psychology has validated the marketers and other policy maker's initiatives for increasing choice for consumers. However, we also have more recent researcher in psychology and consumer behavior, which talks about the detrimental and adverse consequences of choice. Botti and Iyengar (2006) recommend that if the importance of product attributes is increased, the effects of information overload largely diminish. If it is known that adding an extra option shall maximize the consumer's utility, it is recommended to add options and have larger choice sets, but when products are homogenous and it is not possible to easily differentiate amongst them, choice options should be decreased. It becomes imperative for managers to suppress their desire to keep on adding options as it may not only dilute the quality of the assortment but also lead consumers to make decisions that impair their well-being. Chernev (2003) has put forth the idea of ideal point availability which is defined as the combination of attributes and attribute values describing the ideal choice alternative. It has been observed that while some consumers have a well-defined pre-established ideal point, some have to build and generate one. Consumers, who do not have an ideal point, find the choosing process more complex since they are simultaneously forming their ideal attribute combination and also searching for the option that best suits their ideal point. In such a case, they will choose the "satisficing" option, the first decent option. Chernev (2003) proposes that when consumers are choosing from large choice sets, ideal point availability or articulated preference can aid them and simplify making a choice, subsequently leading to a stronger preference for the choice made. In this case they will choose the "maximizing" one or the perfect one. On the other hand, ideal point availability leads to weaker preferences when consumers are choosing from limited choice sets. Shwartz (2004) has also argued that decreasing consumer choices can reduce shopper anxiety. These are few of the solutions that can help consumers tackle the abundance of choice options that are available and subsequently improve their welfare. Understanding how a consumer chooses faced with almost infinite choices, is also of considerable importance for managers. Companies cannot simply go on making new products every day; it has been proved that consumers do not like making tradeoffs and hence may choose a brand that helps him or her avoid doing so. Decreased satisfaction or motivation due to having too much choice requires marketers to rethink their practice of providing ever-increasing assortments to choose from. It becomes essential to mention here that, while our paper has focused on choice overload phenomenon and has provided evidences for the same, some criticism surely exists for this construct. One of the most well-known is that of Scheibehenne, Greifeneder and Todd (2010) who argue that adverse consequence of increasing choice is not valid. Their meta-analysis confirms that "more choice is better" provided that consumers have well-defined preferences prior to choice. An analysis of choice overload criticism is beyond the scope of this paper.

According to the history of retailing business, in most economies organized retailing passes through four distinct phases in its evolution cycle. During the first phase, new market players create awareness of modern formats and raise consumer expectations. In the second phase, as the market begins to develop, consumers demand modern formats, which leads to strong growth. Finally, during the final phase, retailers explore new markets as well as inorganic opportunities as growth tapers off. As per the results of this study, India is currently in the second phase. India as a market has just begun to grow and people have very recently started witnessing the huge number of choices in terms of stores and products. They have begun to enjoy seeing the market getting flooded with products, imported brands, new food items and things that they used to find only in foreign countries earlier. India currently being in the second phase of the retail evolution has domestic customers becoming more demanding with their rising standard of living and changing lifestyles.

The findings from expert interviews and consumer interviews can posit towards a preliminary understanding of the retail phenomenon and its impact on different aspects of shopper's behaviors and preferences. It is essential to mention that Indian shoppers have so far not revealed any negative or adverse feelings associated with abundant choice. Hence the results seem very much in contrast to the views of researchers in the west. Indian shoppers have shown appreciation for the retail boom that has happened in India over the last some years. They have expressed their happiness about the exponentially rising choices available to them in all forms of life, be it apparel shopping, grocery shopping, the telecom boom or the number of TV channels available to them.

LIMITATIONS

The study being primarily exploratory in nature has some limitations. The sample was restricted to female shoppers and therefore may not be accurate representative of the population of shoppers who do their shopping at MTO's. The sample of this study is not considered sufficient by the author to make any generalizations. We expect that if other shopper segments are included in the study, the research outcomes may vary to some extent, as such this study can be followed by some other studies with more representative samples to verify the results of the study. Geographically the study was restricted to Delhi and this might prove to be a limitation. While Delhi is the capital of India, not all cities share the same cultures or consumer behavior. The resources and the time available with the author are also the limitations of the study as they restricted the study in nature and scope.

SCOPE FOR FURTHER RESEARCH

The study aims to call upon academicians and scholars to conduct research in this scarcely researched area, particularly in India. Although the concept of choice overload was quickly picked up in the literature, there exist meager possible theoretical explanations about it. The results from empirical studies are mixed and

not all studies lead to one final conclusion. On one hand while western communities claim how too much choice is making them unhappier by the day, whether the same holds true in India is majorly questionable. At the end of this small exploratory study we are left with some major research questions to be answered?

1. Impact of choices on purchase decisions of Indian shoppers
2. Identification of product categories where choice is welcome or not
3. Understanding of involvement as a variable that influences impact of choice on CDM

Very little research has been conducted outside USA in this field, thus it becomes imperative to conduct more research in this area. This study was exploratory in nature, which leads to bias and compromises the validity of the study. Future research studies should be descriptive and experimental in nature and should try to incorporate a more coherent framework. It is believed that further research in this field shall prove beneficial for marketers as well as academicians.

REFERENCES

1. Babutsidze, z. (2007*), "How Do Consumers Make Choices? A Summary Evidence from Marketing and Psychology"*, working paper, Maastricht University & United Nations University.
2. Bettman, J.R., Luce, M.F. and Payne, J.W. (1997), "Constructive Consumer Choice Processes", "*Journal of Consumer Research",* 25 (December), 187-216
3. Bettman, J.R., Johnson, E.J., and Payne, J.W., 1991, "Consumer Decision Making," in Handbook of Consumer Behavior, Robertson, T.S., and Kassarjian, H.H, (Eds.), Prentice Hall, 50-84.
4. Botti, S., and kameica, E. (2007), "The Dark Side of Choice: When Choice Impairs Social Welfare", "Journal *of public Policy & Marketing",* 25(1), 24-38
5. Chernev, A. (2003), "When More IS Less and less Is More: The Role of Ideal Point Availability and Assortment in Consumer Choice, "Journal *of Consumer Research",* 30 (September), p.170-183
6. Chernev, A. (2006), "Decision Focus and Consumer Choice among Assortments ", "Journal *of Consumer Research",* 33 (June), 50-59
7. Chok, J., and Brozyna, G. A. (2011), "The "Tyranny of Choice": Choice Overload as a Possible Instance of Effort Discounting", "The *Psychological Record",* 61, 547- 560
8. Dhar, R. (1997), "Consumer Preference for a No-Choice option", *"Journal of Consumer Research",*24(September), 215-231
9. Haynes, G. A. (2009), "Testing the Boundaries of the Choice Overload phenomenon: "The Effect of Number of Options ad Time Pressure on Decision Difficulty and Satisfaction", "Psychology*& Marketing",* 26 (3),204-212
10. Herrman, A. and Heitmann, M. (2006), Providing more or providing less?: Accounting for cultural differences in consumers' preference for variety", *" International Marketing Review"*
11. Indians do 10% of their shopping in modern stores. Retrieved 10, 2018 from https://www.livemint.com/Consumer/sBOQbidAi81pYCocLMIAvN/Indians-do-10-of-their-shopping-in-supermarkets.html.
12. Iyengar, S.S., and Lepper, M.R. (2000), "When Choice is Demotivating: Can One Desire Too Much of a Good Thing", *"Journal of Personality & Social Psychology",* 79 (6), 995-1006
13. Iyengar, S.S., and Kamenica, E. (2007), *"Choice Overload and Simplicity Seeking'.*
14. Jacoby, J., Speller, D.E., and Berning, C.K. (1974), "Brand Choice Behaviour as a Function of Information Load: Replication and Extension", "*Journal of Consumer Research",*1 (June), 33-42
15. Maxwell, S. (2005), "Hyperchoice and high prices: an unfair combination", *" Journal of Product & Brand Management",* Vol.14, No.7, 448-454
16. McGuire, W.J. (1976)," Some Internal Psychological Factors Influencing Consumer Choice", *"Journal of Consumer Research",* 2(March), 302- 319
17. Mick, D.G, Broniarczyk, S.M., and Haidt, J. (2004)," Choose, Choose, Choose, Choose, Choose, Choose: Emerging and Prospective Research on the Deleterious Effects of Living in Consumer Hyperchoice", *Journal of Business Ethics",* 52,207-211
18. Park, J. and Jang, S. (2012), "Confused by too many choices? Choice Overload in Tourism", *"Tourism Management",* Vol. 35, 1-12
19. Retail Industry in India (2018). Retrieved 08, 2018 from https://www.ibef.org/industry/retail-india.aspx.
20. Russo, J.E. (1974), "More Information IS Better: A Reevaluation of Jacoby, Speller and Kohn", "*Journal of Consumer Research",* 1 (December),68-72
21. Shankar, A. Cherrier, H., and Canniford, R. (2006), "Consumer Empowerment: a Foucaldian Interpretation", "European *Journal of Marketing",* 40 (9/10), 1013- 1030
22. Schwartz, B. (2000). Self-determination: The tyranny of Freedom. *American Psychologist*, 55, 79–88.
23. Schwartz, B., Ward, A., Monterosso, J., Lyubomirsky, S., White, K., & Lehman, D. R. (2002). Maximizing versus satisficing: Happiness is a matter of choice. *Journal of Personality and Social Psychology*, 83, 1178– 1197.
24. Shwartz, B. (2004), "The paradox of choice, why more is less", In: Marck, M. (2004), "*International Journal of Market Research*", Vol. 52, No. 5, p. 699-701
25. Schwartz, B. and Markus, H. (2010), "Does Choice Mean Freedom and Well Being?" *"Journal of Consumer Research",* 37 (August), 344-355
26. Scheibehenne, B., Reifeneder, R., and Todd, P.M. (2010), "Can There Ever Be Too Many Options? A Meta-Analytic Review of Choice Overload", *"Journal of Consumer Research",* 37 (October), 409- 422
27. Simon, H.A. (1955), "A Behavioural Model of Rational Choice", *The Quarterly Journal of Economics",* 69 (1), 99-118
28. Simonson, I., and Tversky, A. (1992), "Choice in Context: Trade off Contrast and Extreme Aversion", *"Journal of Consumer Research",* XXIX (August), 281-295
29. Simon, H.A. (1972), "Theories of Bounded Rationality", "Decision & Organization", "North Holland Publishing Company", Chapter 8, p.161-176
30. Tversky, A. and Kahneman, D. (1981), "The Framing of Decisions and the Psychology of Choice", Vol. 211 January), 4481, 453-458, Available through: JSTOR < http:www.jstor. org/>
31. Walsh, G. and Mitchell,V. (2005), "Demographic characteristics of consumers who find it difficult to decide", *" Marketing Intelligence and Planning*", Vol.23, No.3, 281-295
32. Wright, P. (1975), "Consumer Choice Strategies: Simplifying Vs. Optimizing, "Journal *of Marketing Research",* XII (February), 60-67

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail **infoijrcm@gmail.com** for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.
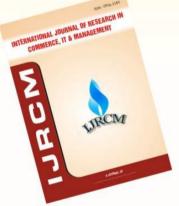
ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals