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INTERNATIONALIZATION STRATEGIES FOLLOWED BY THREE MEXICAN PIONEER COMPANIES GRUPO MODELO, GRUPO BIMBO AND CEMEX: ISSUES AND CHALLENGES

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ABSTRACT

The opening of the Mexican economy and globalization bring new opportunities for Mexican companies to expand their markets and get their products around the world. The internationalization process requires a sound strategy for the consolidation in foreign markets. The aim of this study is to analyze the different internationalization strategies followed by three Mexican companies with a global presence: Grupo Modelo, Grupo Bimbo and Cemex. We conclude that the differences in their strategies arise from the characteristics of each of these companies.

KEYWORDS
Mexican companies, strategy, expansion, internationalization.

INTRODUCTION

The landscape of this century requires companies to be increasingly competitive, and that not only have to compete with domestic rivals but new players come in search of a single market. Today's competitive advantages and are no guarantee of success without a solid strategy that will ward.

The decision made at the time a local company to expand its market to new countries, must be supported by an internationalization strategy appropriate to the characteristics of the company. It also has a wide range of options for entering new markets, exports, licensing, and joint ventures with foreign partners, strategic alliances, acquisitions, establish subsidiaries, among others. However the best choice will be consistent with its objectives and characteristics.

BACKGROUND

Globalization is a phenomenon that accelerated in the late twentieth century, in the last three decades, increased international economic transactions, thus expanding economic relations between countries.

The world economy entered a process of numerous scientific and technological advances that changed production patterns worldwide. The deregulation aimed at removing trade barriers between countries was a consequence of globalization, which for some companies has been a growth opportunity, whiles for others a latent threat to the entry of new competitors.

In the mid-eighties with the entrance to the General Agreement on Tariffs and Trade (GATT), the Mexican economy began a process of trade liberalization which is consolidated with the entry into force of The Free North American Free Trade Agreement (NAFTA). Thus our country adapts a new economic model: the neoliberal model, which encouraged external competitiveness from trade liberalization (Branches, 2005).

The new economic policies of this new model involve change and restructuring of Mexican companies. The Mexican economy opened to international trade and financial markets, gave a strong boost to exports and foreign investment was allowed in more sectors of the economy. All these actions benefited large Mexican companies in their growth and expansion, while allowed to integrate into international production and exports through acquisition of companies abroad (De Gortari, 2005).

Grupo Modelo, Bimbo and Cemex were three large Mexican companies that were consolidated in the country and sought to internationalize through different positioning strategies in international markets. A common denominator among these companies was the use of acquisitions and alliances with foreign partners, but the strategies followed by each were different.

DEFINITION OF THE PROBLEM

According to De los Rios (2005) among Mexican multinational companies successfully in the internationalization process are: America Movil, Bimbo, Gruma and Cemex. Clarifying the process of internationalization beyond imports and exports, i.e. involves the establishment of subsidiaries or the acquisition of companies is elsewhere.

This research focuses on the analysis of internationalization strategies followed by three of Mexico's most important companies of our country with a presence in international markets: Bimbo, Cemex and Grupo Modelo were chosen because these three companies have been recognized by national and international magazines as successful businesses in foreign markets. According to the ranking made by the group and published on its website CNN Expansion, these companies are among the 500 most important companies in Mexico. Cemex is in the number 6 in the place Grupo Bimbo and Grupo Modelo 11 at number 22 (see Attachment A).

Moreover these companies to analyze different strategies to position it clearly in foreign markets.

HYPOTHESIS

The characteristics of each of these three Mexican companies are a major determinant of the choice of different strategies and ways of entering foreign markets.

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OBJECTIVES

To analyze the internationalization strategies and positioning in international markets of three Mexican companies with a worldwide presence: Grupo Bimbo, Cemex and Model and demonstrate that these three companies have expanded their market by using mergers and acquisitions as growth strategy.

• Analyze the trajectory of each of the three companies in the global context.

• Establish the most important factors influencing the success of each of the companies chosen.

FRAMEWORK

Cortes de los Rios (2005) says that many of Mexico's most important economic groups were created and managed its expansion, consolidation and development thanks to the acquirers and mergers took place. It analyzes the behavior of the acquisitions in Mexico in the period 1986-2005, concluding that this type of operation shows a cyclical and economic fluctuation coincide with the country, increasing in the late eighties and early nineties.

On the other hand shows that mergers and acquisitions for our country are concentrated in banking, finance and telecommunications. In the study period prevailed horizontal acquisitions, followed by vertical and finally concludes that the process of mergers and acquisitions is indeed, as she defines a "vehicle" for the internationalization of Mexican companies.

Moreover, Celso Garrido (2001) a study on cross-border operations during the nineties in Mexico, distinguishing foreign acquisitions made by companies established in Mexico, Mexican takeovers by foreign companies. This study shows results that say the process undertaken grades Mexican companies and groups to internationalize their production activity. Garrido ranks results of acquisitions fleshed out by Mexican companies at three levels: macro, meso and micro.

This work is a case study of the different strategies for entering international markets and show that despite the existence of a common denominator among these strategies, as is the case of acquisitions, the company's own resources play a key role to allow them to take different paths to achieve their goal.

CONCEPTUAL-THEORETICAL

When a company decides to expand into new markets is essential to plan a strategy to reduce the risk of failure, for this is to consider the advantages and disadvantages of different forms that have to enter these markets and also to consider its position market and the characteristics of your company. In this context we say that an international strategy is one used by a company to sell its products outside its national territory.

Internationalization is a process by which a domestic company can extend their productive activities to other countries, according to Peng (2006), is a process where a multinational organization is responsible for any commercial or production of an enterprise located in different parts the world.

The reasons that lead companies to make the decision to internationalize your business are the benefits they can acquire if they implement the strategy succeed. These expected benefits are:

1. Increased market size. Expand their productive activities to another country gives them the opportunity to captivate new customers, new markets to sell their products.

2. Better returns on their investments. It is expected that investments in other countries generate above average returns.

3. Better economies of scale, scope or learning. Producing under economies of scale production reduces costs and produces the same internationalization synergies, which shares knowledge and learning.

4. A competitive advantage of location. When a company decides to settle in another country with the intention of reducing costs many times companies are looking for markets where they can get cheap labor, natural resources or cheaper energy or potential new customers in that country (Hitt, Ireland & Hoskisson, 2008).

There are two ways of entering foreign markets, on one hand the non-property, as its name suggests involve entering new markets without the need to use part of its assets or capital. Examples of these: Exports and contractual agreements.

Moreover there are still properties, which involve the establishment of subsidiaries in new markets; investment is needed to begin operations. Some examples of these: Joint ventures (joint adventure) and partially owned subsidiaries. This approach gives rise to multinational corporations (MNCs) which are companies that operate with foreign direct investment, its function is the control and management of value-generating activities in foreign countries (Peng, 2006).

If a company decides to export has two possibilities: Direct export is the direct sale of goods to foreign customers or where the indirect export sales to foreign markets is through intermediaries.

Contractual agreements are classified as:

A. Licenses / franchises. When a foreign company buys the rights to manufacture and / or sell products in the domestic business. This in exchange for a royalty per unit produced or sold (Hitt, et al., 2008).

B. Projects ready to operate. Projects are paid for certain activities for a business (construction of facilities or personnel training, etc.)..

C. Research and development contracts. Agreements between companies to assist in research and development one can work for another.

D. Joint marketing. A set of companies agree to jointly market their products.

Property forms Returning to internationalize. a company defines what is a joint venture (EC) which is understood as a company originated and owned by two or more companies This new company can be a minority (when one of the generating company has less than 50% ownership), 50/50 (partners have the same percentage of ownership) or majority (a company has more than 50% of CD) .

For their part, wholly owned subsidiaries (SPT) are subsidiaries of the multinational company, located in different countries. In turn, these can be of two types: operations on a blank field, when companies begin operations from the construction of these. Moreover mergers or acquisitions are the most popular form of entering foreign markets. Involve the transfer of assets, knowledge, and control operations between companies.

Because the latter is the most sought after by companies wishing to establish themselves in other markets then we pause this for a better understanding.

A merger is defined as the combination of assets, operations and management of two companies to establish a new legal entity (Peng, 2006). Meanwhile an acquisition is the transfer of control of the assets, operations and management of a company (object) to another (purchaser), making the object in a unit of the purchaser (Wright, 2002). In reality the acquisitions are more common than mergers. These operations can be carried out in three directions:

A. Horizontal. Are acquisitions between competitors within the same industry? This is the most common type, as it increases the market power of the synergies obtained by exploiting the costs and revenues.

B. Vertical. This type involves the relationships between companies which makes them focus their suppliers (up) or its buyers (up). With this acquisition the company is vertically integrated, controlling additional parts of the value chain

C. Conglomerate. These are transactions where companies interact unrelated products.

Hitt et al. (2008) adds the related acquisitions occur within an industry closely related and transborder acquisitions are those which as its name says, transcend territorial boundaries.

Moreover, this type of transaction may be hostile or friendly, the first concern when management of a target company is against the acquisition, this company is not seeking a takeover bid. Such events increases during downturns in the economies, as it is easier to detect companies that are undervalued mismanaged in relation to its assets (Thornton, Keesnan, Palmeri & Himelsten, 2002). The acquisitions are friendly when both companies are in agreement to carry out the transaction.

The table in Annex A summarizes the advantages and disadvantages of each of the modes of entry to foreign markets.

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A complete model of foreign market entry described in Peng (2006), which considers the tripod base of the strategy as a sound strategy. Considerations based on the industry through the diamond of Porter's five forces suggests a review of the industry environment it belongs to the company, this analysis can uncover opportunities to open new markets.

For their part, resource-based considerations, led by the model VRIO (value, rareness, imitation and organization) are a factor to be taken into consideration the managers of a company when deciding to enter international markets. Many times the value of the assets of a company are key factor to compete abroad, likewise if a company with resources much rare and difficult to imitate, has assets that can exploit an opportunity in other markets.

Finally considerations institutions are perhaps one of the key firms in search of new markets should consider when embarking on new markets. Knowledge of the rules is vital for easier entry to markets unknown. Although globalization seeks the integration of countries, institutions and culture rules are factors that have not yet unified.

After the theoretical review that supports the internationalization of companies in the next section proceeds with the individual analysis of each selected Mexican firms to conclude this section with a comparison of the various factors that influenced the success of internationalization of each company.

METHODOLOGY

The methodology for the preparation of this work was the revision of the paths that have these three companies since its inception to the present, past and putting special emphasis on internationalization. It also is evident through its success through the search and tracking of recognition has been given to these companies. The information collected for this analysis comes from the official website of each company, as well as annual reports and additional sources such as empirical studies for these companies.

The next section will be the case study of each selected Mexican firms: Grupo Bimbo, Cemex and Grupo Modelo.

ANALYSIS OF MEXICAN COMPANIES

GRUPO BIMBO

Founded in 1945, today this company is one of the largest bakery companies in the world and a leader in the Americas has earned recognition for their production and sales volumes. According to its annual report 2010 (Grupo Bimbo, 2010) has 103 plants and over 1000 strategically located distribution centers in 17 countries in America and Asia. One of its most valuable assets is the possession of one of the most extensive distribution networks in the world with over 41,000 routes.

Starting operations on December 2, 1945 the first production plant in Mexico, under the direction of Jaime Sendra and Lorenzo Servitje, Bimbo is placed on consumer preferences through the presentation and quality of their products. In 1946 this plant is expanded and begins structuring the area of vehicles, which later became his strategic asset for the growth of the company. The Bimbo distribution network began with an agreement to distribute its products with carriers who distributed newspapers in the province. However this was not enough and had to open routes and outside agencies, the first in Puebla in 1949.

The distribution of products of this company took from town to town, following the paths, roads and railways, so vendors were opening up the market.

The growth of this company in our country was the result of knowledge of the needs of its consumers (building products) and vision of its managers to take advantage of opportunities offered by the market, spread around the country through establishment of new silver and the acquisition of some of its competitors.

In search of closer integration in 1973, Bimbo began making jam in order to supply one of its lines (Marineo dedicated to making cakes and cookies) of raw material. Also in the late seventies Bimbo executives found themselves in the market for sweets and chocolates retailer an opportunity, as this was poorly attended, and decided to put a small candy manufacturing plant (Ricolino). Thus began a diversification outside the bakery and confectionery.

After consolidating the domestic market, leaving Mexico in 1984 the first trailer with Marinela products, bound for Houston, Texas. And in 1989 began international expansion with the creation of Bimbo Bimbo Central America and Guatemala with the construction of the first plant outside the country.

In 1991 created the Latin America Division (OLA) to operate the expansion south of the country. In this decade the company acquired Alesa (Chile) and Holsum, bakery leader in Venezuela. Bimbo is created El Salvador, Costa Rica, Argentina and Peru in Colombia, established a partnership with Noel, the largest biscuit company in the country In 1998, the purchase of American bakery Mrs. Baird's, a leader in Texas that had 11 floors.

In 2001 he made the purchase of Plus Vita from Brazil, which confirmed its leadership Bimbo Latin America and in 2002 acquired the Canadian company George Weston Ltd. Bimbo In this decade, began its presence in Europe with the purchase of the company confectionery Park Lane, located in the Czech Republic.

This decade also acquired in Mexico: Bakeries El Globo, La Corona, Gabi Cookies and Joyce. Bought outside the country: Pan Europe (Guatemala), Los Sorchantes (Uruguay), South Lakes (Chile), Lalo's Bakery (Colombia), and finally Laura, and Plus Vita Nutrella LTDA, the latter one of the bakery companies more large and important in Brazil.

In 2010, specifically three strategic acquisitions: Dulces Vero in Jalisco, Mexico, Hong Jin Wei in China and the U.S. Foods Bimar Finally in November of that year announced the purchase of the bakery division of Sara Lee bakery largest U.S., which as a group Grupo Bimbo Baker worldwide.

In short today Grupo Bimbo has 103 plants worldwide, 42 plants in Mexico, 34 in the United States, 25 in Central and South America and 2 in China. The first quarter reported sales of $ 29.312 million pesos, an increase of 3.5% over the previous year.

Currently this group has more than 150 brands, the best known are: Bimbo, Marinela, Milpa Real, Aunt Rosa, Oroweat, Entenmann's, Thomas', Boboli, Mrs. Baird's, Barcel, Ricolino, Coronado, La Corona, El Globo bakeries, Suandy, among many others.

All group companies are located in four divisions: Bimbo SA, brings together companies bakers and confectioners in Mexico and Central America, Barcel SA, which integrates the business of snacks and Ricolino, Bimbo Bakeries USA (BBU), serving the U.S. market and Organization finally Latin America (OLA), responsible for operations in Latin America.

ANALYSIS: GRUPO BIMBO

As we can see, the expansion of Grupo Bimbo is the result of significant investments it has made to establish new production plants, strategic alliances and acquisition of companies. His strategy was to acquire or ally with local companies that will offer something in terms of technology or distribution capacity, choosing only those companies that share their values; if the companies did not meet the latter requirement would enter the market from scratch.

One of the key factors that have influenced the success of Grupo Bimbo in the national and international market, innovation is not only their products but to organize the company as the coordination of their plants requires the use computing platforms that support business processes. On the other hand is a company that knows its customers, the distribution network has created allows a more direct and frequent contact with customers, allowing you to identify new growth opportunities and product innovation based on consumer preferences.

In this sense Bimbo has a very important competitive advantage: its ability to reach more distant outlets. Bimbo in our country has to sell their products to an average of less than a mile from each consumer (Grupo Bimbo, 2011). This distribution network is one of the intangibles of the company, which tried to establish the same way in other countries, without a clutch that has found cultural differences that have led to the need to adapt to each country based on their conditions individuals. Finally Grupo Bimbo is a company that just look to expand geographically, also seeks to be a profitable company, which has managed to increase the efficiency of each of its processes. For that seeks to optimize its resources by using technology.

CEMEX

It is a Mexican company initially dedicated to the production and distribution of cement and concrete, but is now a global company that offers products for the construction industry. It began operations in 1906 with Cementos Hidalgo plant in the north. After significant growth for six years, the operation of this company is affected by the Mexican Revolution forced to suspend operations. In 1919, partially resume their operations and not until two years later when the market comes back completely.

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Cementos Hidalgo in 1931 merged with its competitor Cementos Portland Monterrey, giving rise to what is now known as Cementos Mexicanos SA (CEMEX). For about thirty-five years, this company has a steady growth backed by the expansion of its plants in the northern region.

Until 1966, decided to venture into the southern part of the Mexican Republic, acquiring in that year the plant Cementos Maya, Mérida. With this acquisition continues to meet demand in this part dl country through Portland Cement brand Maya. That same year the new plant starts operation Valles, in order to meet the Huasteca region in Mexico.

In order to expand across the country in 1967 opened a plant in Torreon through brands pozzolanic Portland cement Portland Cement Monterrey and Monterrey; the plant is responsible for meeting growing demand in the Northeast. Plants installed in all regions continue to grow by increasing its production capacity.

In 1973 Cemex acquired Portland cement plant in the Bajio region of central Mexico. 1976 was a watershed for the company as a part begins trading on the Mexican Stock Exchange and on the other side becomes the leading Mexican producer of cement to its acquisition of Cementos Guadalajara.

In 1986 starts joint venture with U.S. cement companies, in order to enter that market. In 1987 acquires Cementos Anahuac. And this year it created a solid team of professionals who are in charge of the integration of acquired companies. It also implements a satellite system that allows you to connect all the facilities of the company (CEMEXNET).

When purchasing your competition, Cementos Tolteca Cement Company in Mexico second in 1989, Cemex became even without significant presence in other countries, one of the ten largest cement companies worldwide.

It was not until 1992, when he decides to start its internationalization process, which starts on the European market by acquiring the two largest cements in Spain: Valenciana and Sanson. Two years later ventures into Central and South America, buying Cemento Bayano in Panama and the company expires, Venezuela's largest cement. Also, the purchase of Balcones cements plant in the United States.

In 1995 Cemex continues its international expansion this time to acquire Cementos Nacionales, the leading company in the Dominican Republic. A year later became the third largest cement company in the world to be part of your company Cementos Diamante and Samper in Colombia.

Not content with its spectacular growth in such a short time in 1997 the largest cement company in Mexico comes to Asia with the purchase of Rizal Cement and APO Cement in the Philippines two years later. That same year, Cemex ventures into Africa by acquiring Assiut Cement Company, one of the leading cement producers in Egypt also buying Cementos del Pacifico, Costa Rica.

Mexican Cement century starts with the determination to consolidate the already developed markets in 2000 purchase Southdown, Inc. in the United States in 2001 and acquired Nicaragua enters Saraburi Cement Company in Thailand. The operation performed in 2005, doubling its size and expanding its market to more than twenty countries, mainly in Europe. This transaction is the acquisition of the British building materials RMC, which according to a press release on September 27, 2004 posted on the website of the Mexican company and meant a great synergy that will allow the centralization administrative functions, optimization of network marketing, logistics and process standardization.

Far from purchases made by the Mexican company in 2000, implemented an initiative to identify, incorporate and implement standardized best practices within the entire organization (CEMEXway). This initiative consolidates the group that was responsible for the integration of acquired companies.

Finally the integration of the Australian company Rinker Group Limited, the Mexican company consolidates its position as a leader in the cement industry.

ANALYSIS: CEMEX

As we see in the above description Cemex in less than twenty years the company extended global territory through the use of acquisitions, it is surprising success of this instrument through which although not clearly mentioned in its path also has been due to the economic and financial company that manages the. Cementos de Mexico took advantage of the benefits it gives its sector to grow, among them is the oligopolistic power that exists in the cement industry worldwide and on the other hand the technology needed to get started in this industry.

It is also important to highlight the use of information technology as a key tool for coordination and smooth running of all its businesses. In addition to this we believe that one of the intangibles that this company has is the group of professionals responsible for integrating each of the acquired companies, which we believe has been a fundamental part of their success in geographic expansion.

Finally for this company innovation is also one of its strategies on the one hand to stay ahead in terms of the needs of the construction industry. On the other hand has also allowed it to innovate the production process which has gained efficiency by getting competitive production costs and has remained a profitable company.

For the first quarter of 2011, record gross profit by 963 million dollars and a profit margin of 28.5 percent. Your total debt to 17,059 million dollars estate

Finally, to confirm the success of global expansion strategy we can summarize that has followed it, one of Mexico's most important companies of our country and worldwide presence, has been placed today in 35 countries.

In Central and South America is in Argentina, Colombia, Costa Rica, Dominican Republic, Guatemala, Jamaica, Nicaragua, Panama and Puerto Rico and our trading operations in the Caribbean. In Europe in Austria, Croatia, Czech Republic, Denmark, Spain, Finland, France, Germany, Hungary, Ireland, Latvia, Norway, Poland, Sweden and the UK.

In Africa and the Middle East with operations in Egypt, Israel and the United Arab Emirates Finally in Asia is found in Bangladesh, Malaysia, Philippines, Taiwan and Thailand.

This company has continued growth by taking advantage offered by your industry and geographic expansion strategy. The cement industry has a short chain which facilitates the vertical integration (Torres, 2006). In this sense the location of subsidiaries in places where you can extract the raw material, was one of the strategies for geographic expansion.

Cemex has a presence in other countries by building or acquiring complementary businesses in these markets, this has been done without the need to accept foreign capital. This type of strategy was successful thanks to the short chain of cement, and innovations necessary minimum the oligopolistic structure of this market (Pozas 2002).

According to de Gortari (2005) when Cemex acquisition takes place, first make a review of the country's culture and the target company after that his team, made up of trained professionals in the area of systems, resources human, financial, acquisitions, business relationship management, conducts a comprehensive analysis of the company. If the transaction takes place beginning a process of integration with the aim of unifying the levels of productivity and culture will be outcome. In addition, this company takes advantage of regional economic activity and consumption capacity.

GRUPO MODELO

Today, Grupo Modelo is the leader in developing, distributing and selling beer in Mexico Founded in Mexico City in the year by 1925.

Since its founding the basis of growth of this company took in two ways, firstly the acquisition of breweries in the country thus acquired new brands and on the other hand the construction of new plants will allow increasing production capacity. In addition to these two pathways, exports have been the tool that this group has chosen to internationalize in markets around the world, which has contributed significantly to its growth.

I make the first acquisition was the purchase of Brewing Company in Toluca and Mexico, Victoria Marks and Pilsener in 1935. By 1954 the brewery acquired the Pacific, Mazatlán, Sinaloa and Brewery Star in Guadalajara, Jalisco. In 1960 he joined the group Northwest Cervecería Modelo, Ciudad Obregon, Sonora.

Exports of beer of Grupo Modelo in 1933 started albeit sporadically, with the first American foreign market.

In 1964 he established the Cervecería Modelo de Guadalajara in 1964 and in 1967 opened the Cerveceria Modelo Torreon. For the year 1979 built the Tropical Brewing Company, located in Tuxtepec, Oaxaca, but starts to operate until 1984.

A strength of this group is the vertical integration that have since not only focused on building new breweries but also worried about the creation of companies that produce the inputs required by the brewer. That is why in 1979 he founded the company Cebadas and Malta Calpulalpan, Tlaxcala and in 1981 the company Inamex Beer and Malta, in Texcoco, Mexico State. In the same year acquired Cervecería Yucatan.

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We can say that the internationalization of the Mexican company gains importance from 1985 when Grupo Modelo beer exports start to new foreign markets, this time the beer the company heads to Japan, Australia, New Zealand and some European countries. In 1990 Corona beer is exported to Hong Kong, Singapore, Greece, Holland, Germany and Belgium.

Zacatecas Brewing Company began operations in 1997. That same year, Corona beer stands as the first imported beer in the United States.

In 2006 Grupo Modelo set up an alliance (Joint Venture) with Constellation Brands, a leading international wine and spirits. This alliance creates Crown Import LLC, headquartered in Chicago. Began operations in 2007 and the main reason being is that Grupo Modelo has a single importer in the North American market. That same year he started building another brewery in Nava, Coahuila.

Grupo Modelo currently exports about 6 brands of beer in 156 countries around the world, these brands include: Corona Extra, Corona Light, Negra Modelo, Modelo Especial, and the Pacific.

ANALYSIS: GROUP MODEL

According to the trajectory described by this company, its expansion into territory was through the acquisition of breweries from other companies and the construction of plants characteristic of the group. One of its strengths is its vertical integration which allowed him to strategically integrate companies that provide their own raw materials and packaging. In this sense also has a strategic partnership that gives it mainly American machinery of high technology, which guarantees the efficiency of their processes.

With regard to international expansion, as it says Hitt et al. (2007) companies engaged in the production and marketing of beers have few growth opportunities in its home market, which urges them to offer their products abroad. This was the case of the Mexican company, however as some firms internationalize by acquiring companies in other countries, this Mexican company has achieved its goal of placing their products in different countries of the world only through exports.

Although exports have certain constraints such as less control of the marketing and distribution, this group has dispelled this disadvantage by establishing offices in strategic locations in order to respond in a timely fashion importers, distributors and customers, it also meets the goal of placing products in a strategic model. When Grupo Modelo decided to venture into new markets, makes a study of the target market considering their economic and cultural conditions, likewise due to their experience have learned to look after intellectual property issues and laws. Finally enter the market with adequate infrastructure in sales, promotion and marketing.

CONCLUSIONS

We conclude that a common denominator in its internationalization strategy between the three companies chosen for this work was to use acquisitions to expand its market. But while two of them, Grupo Bimbo and Cemex, these types of transactions conducted in foreign markets, Grupo Modelo now consolidated its position by acquiring companies in the same business only in the country.

Cemex was the three most dynamic in terms of foreign companies compare in terms of time and quantity.

Among these companies there are common elements that have been present in their internationalization strategies such as innovation not only in products but in new systems of organization. All three make use of information technology for better coordination of all group companies or company.

Despite having a similar strategy, each of these companies differentiates your strategy based on characteristics of the company. On the one hand Cemex has advantages given the sector where, as it is an industry with few producers of cement. On the other hand Grupo Modelo by the type of good it produces, allows you to use exports, it does not require the installation of plants in each market again.

In this study we recognize intangible assets of two companies, which have been a tool that has helped the success of your business. Cemex has a group of professionals responsible for integrating each of the acquired companies, allowing them to be integrated resources, knowledge and learning specific to the company obtained in each market.

One of the intangible assets was recognized of Grupo Bimbo's distribution network which has enabled it to reach a large number of consumers and be at the forefront in meeting the needs of its consumers. Examples of these needs have been a wide range of products more healthy.

Grupo Modelo because it only makes its internationalization through exports, has expanded to a large number of countries through the establishment of offices in foreign markets not only engaged in the marketing and distribution of their products, but also is responsible for positioning your product in strategic locations.

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APPENDIX

ANNEXURE A: RANKING OF THE 500 MOST IMPORTANT COMPANIES IN MEXICO

	Business	Location	Sector	Jobs	Origin of capital	Net Sale (mps)	Operating income (pesos)	Net income (pesos)	Total assets (million pesos)	Total liabilities (camera)	Equity (million pesos)
1	Mexican Petroleum	DF	Petróleo y gas	147,294	MX	1,094,155.00	476,812.30	46,137.30	1,332,037.20	1,398,877.20	66,840.00
2	American Mobile	DF	Telecomunicaciones	55,627	MX	394,711.00	104,209.00	76,913.50	453,008.00	275,102.40	177,905.60
3	Walmart of Mexico	DF	Comercio autoservicio	176,463	EU	270,451.20	22,268.50	16,806.10	133,139.20	49,991.40	83,147.80
4	Commission of Federal Electricity	DF	Electricidad	83,812	MX	220,034.00	39,818.00	1,185.00	803,044.00	422,342.00	380,702.00
5	Carso Global Telecom	DF	Holding	77,729	MX	209,539.10	44,035.20	16,004.70	369,790.20	244,966.20	124,823.90
6	Cemex	NL	Cemento y materiales	47,624	MX	197,801.00	15,833.30	1,409.20	582,647.30	326,288.80	256,358.50
7	Fomento Mexican Ecinomic	NL	Bebidas y cervezas	127,179	MX	196,103.00	27,012.00	15,082.00	211,091.00	95,262.00	115,829.00
8	Telcel	DF	Telecomunicaciones	17,347	MX	142,362.20	69,154.00	0.00	0.00	0.00	0.00
9	Grupo Financiero BBVA-Bancomer	DF	Servicios financieros	32,568	ESP	137,709.20	26,955.60	21,612.40	1,107,779.50	993,065.50	114,714.10
10	Telephone of Mexic	DF	Telecomunicaciones	52,586	MX	119,100.20	52,315.00	20,468.70	178,355.40	140,034.60	38,320.80
11	group baby	DF	Alimentos	102,000	MX	116,353.00	12,054.00	6,081.00	96,713.00	55,756.00	40,957.00
12	Alfa group	NL	Holding	52,384	MX	115,632.00	8,762.00	2,020.60	108,088.00	71,729.40	36,359.30
13	Group Financiero Banamex	DF	Servicios financieros	40,000	EU	115,535.20	21,595.00	18,755.70	1,124,690.00	967,893.00	156,797.00
14	General Motors of Mexico	DF	Armadora	11,000	EU	110,422.00	0.00	0.00	63,897.00	52,449.00	11,448.00
15	Coca-Cola FEMSA	NL	Bebidas y cervezas	67,426	MX	102,229.00	15,835.00	8,970.00	110,661.00	42,189.00	68,472.00
16	Telmex International	DF	Telecomunicaciones	24,769	MX	92,540.10	11,051.80	9,104.50	174,300.70	74,815.80	99,485.00
17	Volkswagen of Mexico	Pue.	Armadora	14,255	ALE	92,531.30	58.00	203.50	47,736.90	25,410.90	22,326.00
18	Nissan Mexicana	DF	Armadora	0.00	JAP	90,000.00	0.00	0.00	0.00	0.00	0.00
19	Organización Soriana	NL	Comercio autoservicio	76,800	MX	88,637.30	4,584.00	2,868.30	65,725.40	33,794.90	31,930.50
20	Grupo BAL	DF	Holding	39,303	MX	88,045.00	12,177.00	7,836.00	145,460.00	90,511.00	54,949.00
21	Ford Motor Company	DF	Armadora	7,700	EU	86,000.00	0.00	0.00	0.00	0.00	0.00
22	Grupo Modelo	DF	Bebidas y cervezas	36,707	MX	81,861.60	21,730.00	8,630.00	117,362.20	21,129.80	96,232.50
23	Infonavit	DF	Servicios financieros	3,966	MX	67,906.00	4,575.00	11,168.00	599,403.00	539,718.00	59,685.00
24	Grupo Carso	DF	Holding	70,377	MX	66,035.60	9,073.60	7,339.40	97,677.50	37,980.30	59,697.30
25	Chrysler México Holding	DF	Armadora	6,200	EU	65,800.00	0.00	0.00	0.00	0.00	0.00

Source: Extracted from the ranking of 500 most important companies in Mexico, CNN Expansión.

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ANNEXURE B: FORMS OF INTERNATIONALIZATION

Modes without capital			
		advantage	disadvantages
export	direct	• Control distribution • Economies of scale	• High transport costs • Little control over marketing • Trade barriers (tariffs)
	indirect	• Focus on production • Do not pay the export process	• Menor control de distribución • Desconocimiento del mercado extranjero
Acuerdos contractuales	Licenses / franchises	• Low expansion • Low risk • How to expand yields based on previous innovations.	• Little control technology and marketing • Ability to create competitors • Low Income
	Projects ready for operation	• Ability to gain technology from countries with restricted FDI	• Ability to create competitors • Lack of long-term presence
	Contract R & D	• Ability to access the best technologies at low cost	• Difficulty negotiating • Risk of causing competitors • Loss of innovative capacity
	joint marketing	• Ability to get more customers	• Coordination Limited
Modes that involve capital			
		advantage	disadvantages
joint Venture	joint Venture	• Risk sharing • Access to new assets, knowledge and skills	• objectives and interests between partners • Heritage Limited • Difficulty coordinating globally
Wholly owned subsidiaries	Greenfield operations	• Total Ownership • Control operations • Protection of knowledge	• Political risks • High development costs • Speed slow entry
	acquisitions	• Input speed • Do not add new capacity	• Add new capacity • Political risks • High costs • Low speed • Integration Issues

Source: Authors' calculations based on data from Peng, 2006 and Hitt et al. 2008.

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DELIVERY OF EFFICIENT AND EFFECTIVE PRIMARY EDUCATION AND HEALTHCARE SERVICES BY LOCAL GOVERNMENTS OF OYO STATE IN NIGERIA

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ABSTRACT

Education and healthcare services are listed under the concurrent list of the 1999 Constitution of the Federal Republic of Nigeria. Specifically, the fourth schedule of the 1999 Constitution of Federal Republic of Nigeria charged local government as the third tier of government with the responsibility of providing and maintaining primary education and healthcare services to the people in the local areas. There are many factors militating against the delivery of these services. Out of these multifarious factors, this study focuses on three (3) main factors, namely fund/statutory allocation, managerial accountability, and leadership structure of the local governments in Oyo state. The objective of the study is to measure the relationship between fund/statutory allocation, managerial accountability, leadership structure and the delivery of primary education and healthcare service by local governments of Oyo state in Nigeria. Thirty-three (33) local governments of Oyo state were used as sample of the study. Four hundred (400) questionnaires were administered on the respondents and three hundred and sixty-three (363) questionnaires were returned by respondents. Data collected from respondents were analyzed using statistical package for social sciences (SPSS) to find the correlation of the variables and multicollinearity is used to determine the relationship between the delivery of primary education and healthcare service and the identified variables. The findings of the study revealed that there are positive relationships between those services and fund/statutory allocation, managerial accountability and leadership structure. The research study recommends future researches on service delivery by local governments in Nigeria.

KEYWORDS
Leadership structure, Managerial Accountability, Statutory Allocation.

INTRODUCTION
The delivery of education and healthcare services are basically the joint venture of the three tiers of government in Nigeria. These basic services are listed in the concurrent list of the 1999 constitution of the Federal Republic of Nigeria. Thus, the financing, maintaining, and provision of education and healthcare services are to be jointly bored by the Federal, States, and Local governments in Nigeria. The fourth schedule specifically states the basic functions of local governments in Nigeria. According to the forth schedule, these functions amongst others include: the provision and maintenance of primary, vocational, and adult education; provision and maintenance of health services; collection of rates, radio, and television licenses; establishment and maintenance of cemeteries, burial grounds, and home for destitute; licensing of bicycles, trucks, canoes, wheel barrows and carts; and construction and maintenance of roads, streets, street lighting, drains, and public highways, parks, gardens, open spaces or such public facilities as may be prescribed from time to time by the House of Assembly of a state. The functions of local governments as it is spelt out by the constitution should be seen from two broad perspectives. There are set of functions that are exclusively within the purview of local governments, while some other functions such as education and healthcare services are expected to be performed concurrently with other tiers of government as partners in progress.

There are many factors responsible for effective, efficient, and measurable social and welfare services delivery to the public by local governments in Nigeria. Few amongst these factors are insufficient funding, corruption, bad governance, weak institutions, lack of fiscal planning, leadership quality, managerial accountability, instability in local governance, and government policy from other tiers of government. Out of these multifarious factors, this research paper focuses on three (3) major factors, namely: fund/statutory allocation, managerial accountability, and leadership structure in the local government in Nigeria.

OBJECTIVES
The main objective of this paper is to find out the relationship between fund/statutory allocation, managerial accountability, leadership structure and service delivery. The service delivery refers in this study to primary education and healthcare services to people at the grassroots in Nigeria, which is the dependent variable in the study. Other variables such as fund/statutory allocation, managerial accountability, and leadership structure in the local government are treated as independent variables in the study. This objective is in line with the main responsibility of local governments in Nigeria as spelt by the 1999 Constitution of the Federal Republic of Nigeria.

LITERATURE REVIEW
Scholars and researchers have been carrying out research studies on the provision of education, healthcare, and other social services in African countries. According to Doris Voorbraak, & Kai Kaiser (2007), the PETS- stocktaking with respect to Healthcare, Education, Poverty reduction, Agriculture, Water &Sanitation, and other service delivery for some African countries are given in Table 1 below as:

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TABLE 1: PETS-STOCKTAKING FOR AFRICAN COUNTRIES

Region/Country		
Africa	Year	Sectors
Uganda	1996, 2001,2003, 2004	Health/Education
Tanzania	1999, 2001, 2003, 2004	Health/ Service Delivery
Ghana	2000	Health/Education
Sierra Leone	2000, 2001, 2003	Agric/Health/Education/Water & Sanitation
Zambia	2001, 2002, 2004	Education/Service Delivery
Mozambique	2001, 2004	Health
Senegal	2002	Health
Madagascar	2003, 2005, 2006	Health
Cameroon	2003	Health/ Education
Rwanda	2003, 2004	Education, Health/Education
Nigeria	2004	Health
Chad	2004	Health/Service Delivery
Kenya	2004	Health/Education
Namibia	2004	Health/Education
Mali	2005	Education
Democratic Republic of Congo (DRC)	2007	Education

Source: PREM Public Sector Governance, the World Bank, IMF-FAD (2007)

Khemani (2004) carried out a research on 'Local Government Accountability for Service Delivery in Nigeria'. The research is based upon survey work undertaken jointly with Monica Das Gupta & Varun Gauri (Das Gupta, Gauri & Khemani, 2004). A survey of thirty (30) local governments, two hundred and fifty-two (252) public primary health facilities, and over seven hundred (700) health care providers was carried out in the states of Kogi and Lagos states in the latter part of 2002.The research presented evidence on local accountability for health services delivery from a survey of local accountability for health facilities in the states of Kogi and Lagos, and drawn general lessons for the design of intergovernmental fiscal relations to promote accountability. The researchers also provided a brief overview of local government institutions in health service delivery and primary education in Nigeria. It explored the policy lessons for the problem of local accountability in the delivery of basic services.

The research work asked respondents who the principal decision-maker is amongst the federal government, the state government, the local government, community-based organizations and facility head or staff for each of the following area of primary health care (PHC) service provision in health facilities: undertaking new construction, such as facility expansion; acquiring new equipment; making drugs and medical supplies available; setting charges for drugs and treatment; use of facility revenues from treatment and consultation; disciplining staff; and transferring staff between facilities. The overwhelming majority of respondents indicated that the local governments, amongst the three tiers of government, are the principal decision-maker for most of the areas of facility level provision of primary health services.

The research went further to say that the evidence for the health sector is a striking contrast to available evidence for service delivery in other sectors-such as primary education, water and sanitation-that are characterized by considerable overlap and confusion with regard to the sharing of responsibilities between the three tiers of government, often at the expense of undermining local governments' responsibility and accountability (Olowu & Erero,1995; The world Bank, 1996; & Khemani 2001). The researchers attempted to collect budgetary data on health expenditures of local governments, which was a difficult exercise because budget documents and categories across local governments, both within and across states, are not uniform. During the field testing of the survey instruments, it is observed that total amount of health expenditures were either not easy to find or simply not available in local governments' budget documents.

The researchers found out that an overall problem of accountability of local government suggest that the design of intergovernmental transfers is likely to be a blunt instrument to strengthen incentives for better allocation of public resources. The incentives to improve the delivery of basic services should be explored by a large political economy; there is no information-dissemination strategy, through public radio and other media as it was adopted in other countries such as Uganda; primary health workers and primary school teachers are not paid their monthly salaries promptly; and there exists zero allocation in most of the local governments covered by the study in Kogi and Lagos states respectively.

Several researches are conducted on education, healthcare, agriculture, poverty reduction, water, and sanitation and service delivery. Few amongst the researchers that conducted researches are Reinnikka, R. & Svensson, J. (2001), Ablo & Reinnikkia, R. (2001), Ye & Canagarajah (2001), Stuti Khemani (2004), Das Gupta, Gauri & Khemani (2004), Olowu & Elero (1995), Khemani (2001), and Doris Voorbraak, & Kai Kaiser (2007).

There are only three sources of revenue to local governments in Nigeria. These sources are Federal statutory allocation, State statutory allocation and internally generated revenue (IGR). Federal statutory allocation represents 20% of the federation account. This fund is shared among the seven hundred and seventy-four (774) local governments in the following ratio: 40% on the basis of equality; 40% on the basis of population; 11.25% on the basis of direct primary school enrolment; 3.75% for inverse primary school enrolment; and 5% for internally generated revenue effort (1999 Constitution of Nigeria).

Funds/statutory allocation being disbursed to local governments are meant to provide social and welfare services to the people in the local government. And this is line with the position of Orewa (1968) when he posited that the raison d'etre of a local government is to collect its revenue efficiently and to use that revenue to provide as many social services as possible for its tax-payers, while maintaining a reasonable amount of reserve to tide it over any period of financial stringency. A local government cannot, therefore be ideal from the financial point of view if it collects its revenue in a slip-shod manner and devotes a large percentage of it to the maintenance of a top-heavy administrative set-up, with a relatively small proportion of the revenue left for the provision of social services which are of direct benefits to the local inhabitants.

There is a proviso in the 1999 constitution which authorized Federal Government to allocate revenue to local governments in Nigeria through the Revenue Mobilization, Allocation and Fiscal Commission (RMAFC). Each state government and all the local governments under her jurisdiction are allowed by law to maintain a state- local government joint account into which funds from the allocation from the Federation Account shall be paid into (1999 Constitution of the Federal Republic of Nigeria). The amount standing to the credit of the local governments in the joint account shall be distributed among local governments on such terms and in such manner as may be prescribed by the House of Assembly of the state. It is expected that in exercising their powers with regard to revenue allocation, both the National Assembly and the House of Assembly of each state shall act after considering the report of the Revenue Mobilization Allocation and Fiscal Commission (RMAFC). As far back as 1999, the Nigerian Local governments are being given enough if not more than enough revenue in order to provide essential social services to the citizens, but It seems the said public revenue are being mismanaged by political leaders and local governments' officials in Nigeria, (Lawal, 2002) asserted.

The highest decision-making body in the management of local government in Nigeria is the Finance and General Purpose Committee (F&GPC) (1999 Constitution of FRN). The Finance and General Purposes Committee (F&GPC) is the alpha and omega of local government administration. The committee meets once in every month after the disbursement of statutory allocations by the Federal and 10% of the state internally generated revenue. The committee deliberates extensively on the local government fund and service delivery. The membership of the Finance and General Purposes Committee (F&GPC) made up of: Executive Chairman, Vice Chairman, Supervisory Councilors, Director of Personnel Management (DPM), Political Secretary, Director of Finance and Supplies (DFS), Director of Works, Deputy Director Finance and Supplies (Auditor), and Other Head of Departments.

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The leadership structure of local governments in Nigeria includes the legislative council, the Financial and General Purpose Committee (F&GPC) and the executive body. These are the policy making bodies of local governments in Nigeria. The Local Government Council is made up of elected councilors. Amongst them are Leader, Deputy Leader, Majority Leader, Minority Leader, Chief Whip and members of the legislative council. There are six (6) major departments in local government system in Nigeria. Presently the existing departments in Nigerian local governments include: General and Administration Department headed by Director of Personnel Management (DPM) and supported and/or assisted by Political Secretary (PS) who is a political appointee; Department of Finance and Supplies headed by Director of Finance and Supplies (DFS); Department of works, Housing, Land and Survey headed by Director of Works (DW) and assisted by a supervisory councilor for works, housing, land, survey; Department of Agriculture and Natural Resources headed by Director of Agriculture and Natural Resources and Supported by Supervisory Councilor for Agriculture and Natural Resources; Department of Medical and Health Service headed by Director, Primary Health Care who happens to be a qualified medical Director. The Medical Doctor used to be the primary health care coordinator, while the maternity division is headed by Senior Midwifery Sister; Department of Education and Social Services is headed by Director of Education and Social Services. The information unit of the local government council is also attached to this department and the unit is headed by a unit head; and there are other sub-heads like Planning, Research and Statistics (PRS) unit headed by a unit head and Area Rates officer who oversees the Internal Generated Revenue (IGR) of local governments in Nigeria.

RESEARCH MODEL CONSTRUCT AND HYPOTHESIS FORMULATION

Three hypotheses are formulated for this research study, and based on the objective of this paper; a research model construct is designed after thorough readings of past literatures, articles, journals, internet exploration, and consultations with the World Bank, Washington, D.C., International Institute of Educational Planning (IIEP), Paris, France, and Institute of Educational Planning (IEP), Kuala Lumpur, Malaysia. The research model is therefore given as:

Research Model Construct
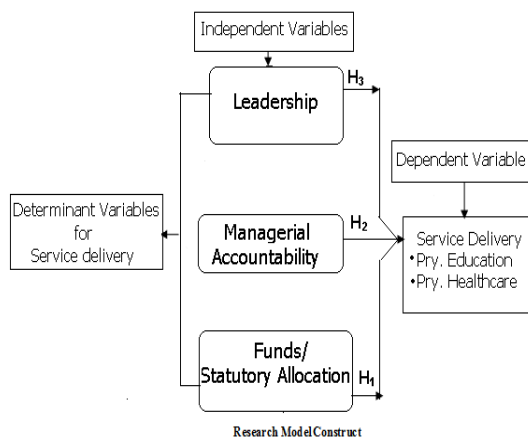
The research model construct is premised on four (4) variables, namely service delivery (primary education and healthcare service), fund/statutory allocation, managerial accountability, and leadership structure of local governments of Oyo state. Service delivery is used as dependent variable in the study. Other three (3) variables, fund/statutory allocation, managerial accountability, and leadership structure are used as the independent variables of the study.

Hence, the hypotheses are therefore stated as follows:

H_1: Funds/Statutory Allocation is positively related to the delivery of primary education and healthcare service to the people through Local Government Administration;

H_2: Managerial accountability is positively related to the delivery of primary education and healthcare service to the people through Local Government Administration; and

H_3: Leadership structure is positively related to the delivery of primary education and healthcare service to the people through Local Government Administration.

METHODOLOGY

The population of the study is the seven hundred and seventy- four (774) local governments located in the thirty-six (36) states and Federal Capital Territory, Abuja. These are the constitutionally recognized local governments in Nigeria. A non random sample of thirty-three (33) local governments in Oyo state of Nigeria is selected from the population of the study. It seems the problems of local governments in Nigeria are homogenous, that is, the problems are so related that whatever problems happening to local governments in the southern part of Nigeria are likely to be happening to local governments in the Northern part of the country. KMO Bartllet's test is administered on the sample to test the sampling adequacy; the sample of the study is found to be adequate for the study. So, the researcher felt that the sample of the study is sufficient enough to study the delivery of efficient and effective primary education and healthcare service by local governments of Oyo state.

Questionnaire is designed based on what is reviewed in the previous literatures, and series of consultations with agencies that are studying service delivery (primary education and healthcare service) in the public sector. The questionnaire has ninety-six (96) items. Six (6) of the items are under demographical data, and it is classified as background information of the respondents. There are four (4) variables that formed the research construct. The dependent variable of the research study is service delivery (primary education and healthcare service). Service delivery has forty (40) items in the questionnaire. The independent variables are leadership structure of the local governments, managerial accountability, and fund/statutory allocation disbursed to local governments in Nigeria. Questions on leadership structure are twenty (20), while managerial accountability has fourteen (14) items. Finally, funds/resource allocation has just sixteen (16) items in the questionnaire.

The validity and reliability of the questionnaire is determined before the administration of the instrument on the respondents.

FINDINGS

The Cronbach's Alpha Coefficient is used to determine the reliability of items under the four (4) variables in the questionnaire. The Cronbach's Alpha Coefficient is given as: service delivery (0.924), fund/statutory allocation (0.888), managerial accountability (0.829), and leadership structure (0.862) respectively. The four components (variables) are rotated using Rotated Component Matrix, and validity of the constructs is measured using the KMO & Bartlett's Test. The result of the test gives 0.845. The test for validity is in line with the position of Phillips (1971), where he posited that validity is a measurement of a given phenomena,

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which is viewed as a valid measure, if it successfully measures the phenomena. In this study, the findings revealed that the instrument is reliable and valid to determine the delivery of efficient and effective primary education and healthcare service by local governments of Oyo state in Nigeria.

The mean and the standard deviation of the four (4) variables in this study are determined. The mean and standard deviation of service delivery (primary education and healthcare service), which is the dependent variable, are given as 3.4993 and .59032 respectively. The mean and standard deviation of fund/statutory allocation, which is independent variable, are given as 3.2164 and .74784. The mean and standard deviation of managerial accountability, which is independent variable, are given as 3.2304 and .60993. And the mean and standard deviation of leadership, which is independent variable in this research study, are given as 3.3395 and .64222. This shows that there is tendency for the results of the study to give a high level significance between the dependent variable, and the three independent variables.

According to John (2008), correlation can be categorized or ranged into relatively correlated (small), averagely correlated (medium), and strongly correlated (large). He asserted further by giving the range of correlation as it is shown in Table 2 below as:

TABLE 2: RANGE OF CORRELATION

Range of Correlation	Interpretation
Between 0.1 and 0.29	Relatively Correlated (small)
Between 0.3 and 0.49	Averagely Correlated (medium)
Between 0.5 and Above	Strongly Correlated (large)

Source: Educational Research Planning, Conducting and Evaluating Quantitative and Qualitative Research

HYPOTHESIS TESTING

H_1: Funds/Statutory Allocation is positively related to the delivery of primary education and healthcare service to the people through Local Government Administration.

The correlation coefficient between service delivery and fund/statutory allocation is given as 0.643. The finding revealed that there is a high positive coefficient between the delivery of primary education and healthcare service and fund/statutory allocation. The implication of this result is that the coefficient between fund/statutory allocation and the delivery of primary education and healthcare service is strongly correlated. The relationship between fund/statutory allocation and the delivery of primary education and healthcare service is not only positive, but it is strongly correlated. The essence of this finding shows that fund/statutory allocation plays a unique significant contribution to the delivery of primary education and healthcare service to the people in the local government area.

H_2: Managerial accountability is positively related to the delivery of primary education and healthcare service to the people through Local Government Administration.

The relationship between service delivery (primary education and healthcare service) and managerial accountability is significant. The correlation coefficient is .254. The implication is that H_2 should be accepted, because this hypothesis states that there is a positive relationship between the delivery of primary education and healthcare service and managerial accountability. Thus, managerial accountability plays a unique significant contribution to the delivery of primary education and healthcare service to the people by local governments of Oyo state.

H_3: Leadership structure is positively related to the delivery of primary education and healthcare service to the people through Local Government Administration.

The correlation between leadership structure and service delivery (primary education and healthcare service) shows that there exists a positive relationship between service delivery and leadership structure. The relationship is significant. The correlation coefficient is given as 0.457. The implication is that the high positive coefficient dictates the acceptance of H_3. The correlation coefficient shows that the relationship is strongly correlated, because the correlation coefficient is over 0.5. Thus, leadership structure plays a unique significant contribution to the delivery of primary education and healthcare service to the people by local governments of Oyo state.

Multicollinearity is determined by plotting normal P-P Plot of regression standardized residual to ascertain physical level of acceptance of the three (3) hypotheses under consideration in this study. The graph is therefore shown below:

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: MEANSD

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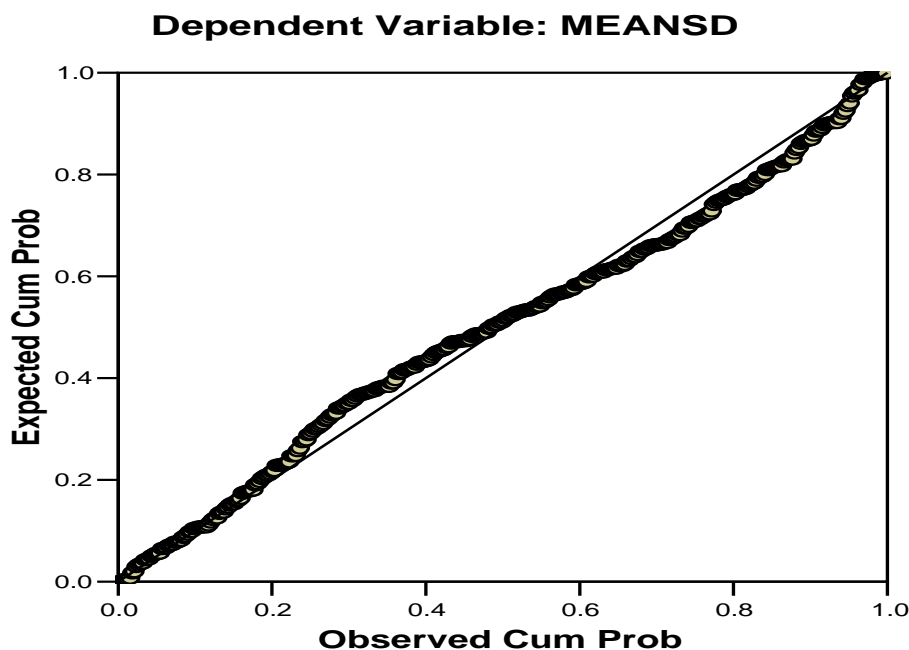
As can be seen from the graph above, the independent variables, fund/statutory allocation, managerial accountability, and leadership weave round the dependent variable, service delivery to determine the observed and expected delivery of primary education and healthcare service based on the three independent variables in the study. This is denoted in the graph as expected cum probability against observed cum probability. By the outcome of the Normal P-P Plot of Regression Standardized Residual graph, the three (3) hypotheses in this research study are therefore accepted. This implies that the three independent variables play a unique significant contribution to the delivery of primary education and healthcare service to the people by local governments of Oyo state.

DISCUSSION

Olanipekun (1998) opined that as much as local governments may have rich programs (basic social and welfare services) for execution, the financial means of executing them is not there. He argued further that the Federal government should make fund/statutory allocation available so that local government as the tier of government will be able to function effectively and efficiently. The problem of providing basic essential services is endemic in the local governments, as asserted by Khameni (2004), in Nigeria because of insufficient funds. While some scholars argued that the problem is lack of adequate resource transfers to local governments to finance their expenditure responsibilities, others argued that over-dependence on Federal transfers by local governments is undermining the efficiency of local governments to provide basic social services to the people at the grassroots (Olowu & Elero, 1995; Ekpo & Ndebbio, 1998).

In contradistinction to the above revelations, the finding of this study revealed that since this present political dispensation, the central government of the Federal Republic of Nigeria has been transferring funds/statutory allocation to local governments promptly, and regularly in order to give room for local governments to provide essential services to the public. Since 1999, the problem of insufficient funds in the local governments has been solved by this present democratic setting.

As a result of poor managerial accountability, Khemani (2004) in her "Local Government Accountability for Service Delivery in Nigeria" revealed that managerial accountability in various forms is responsible for non provision of essential services to the people in the local government area. Zwingna (2003) posited at the hollow chamber of National assembly that all the seven hundred and seventy-four (774) local governments recognized by 1999 Constitution of Federal Republic of Nigeria should be scraped during the 2003 constitution review because of ineffectiveness of management system at the third tier of government. Soludo (2010) advocated for abolition of the seven hundred and seventy-four (774) local governments, saying that they are just mere conduits for profligacy and waste in term of delivery of services to the people in the local government area.

On the contrary, the finding of this study revealed that there is a positive relationship between service delivery and managerial accountability. And managerial accountability plays a significant role in the delivery of primary education and healthcare service to the people. Although, the correlation coefficient is low, meaning that, it is relatively correlated; local government management system needs to be improved upon instead of scrapping local government administration, being the grassroots government that is closer to the people at the grassroots.

CONCLUSION

It is established that there exist positive relationships between the delivery of primary education and healthcare service and the three independent variables in the study in the local governments of Oyo state in Nigeria. In order to satisfy the people in the local government area in terms of service delivery, there must be participatory management, cooperation, transparency, and accountability in the local governments in Nigeria. These factors are paramount to service delivery, especially to the poor in the local governments. Finally, there is need for proactive measure to improve upon service delivery by local governments in Nigeria.

RECOMMENDATION

The study recommended that further research studies should be carried out covering a larger percentage of Local governments in Nigeria. There are multifarious factors that could be investigated while determining social and welfare service delivery by local governments in Nigeria. These factors apart from the ones studied in this research should be thoroughly investigated in no distant future.

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THE FOUNDATIONS OF RELATIONSHIP MARKETING

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ABSTRACT

This article explores the theoretical and conceptual framing of relationship marketing with customer retention and competitive advantage in service sectors like telecom industry. It has shown the history of RM theory and the different perspectives that have enriched its development. The first section also concentrates on the paradigm shift from marketing mix and the major strategic development of relational exchange and management among businesses both domestically and globally. Finally, a conceptual framework has been developed after studying the literature that will help researcher further to develop relationship of RM with customer retention and competitive advantage.

KEYWORDS
Competitive advantage, Customer retention, Grameen Phone, Relationship marketing.

INTRODUCTION

R M is a sector of marketing that has been discussed among academics and marketing practitioners for over 20 years. In business management, RM was one of the most controversial factors that were rising to prominence. In fact, it was a unifying force within marketing that 'served as the generic context for all marketing transactions, whether products or services, consumer or industrial' (Mattsson, 1997).

Literally, all researcher have given different definitions of relationship marketing, however, they mostly posses common denominators. Comprehensively, a definition addresses that relationship marketing identifies and develops, and enhances relationships among all associated business personnel along with its customers. Furthermore, it focuses fully on potential profitability and future objectives which can be brought up only by loyal and committed relational exchanges (Egan, 2001).

Relationship marketing targets to create relationship with consumers for their satisfaction and retention, whereas transactional marketing intends to make the sale and look for new customers (Vence, 2002). All marketing actions are directed toward developing, and nurturing successful relational exchange. However, practicing conceptual relationship marketing needs a form that accommodates every aspect of relational exchanges (Morgan and Hunt, 1994). The most crucial concern in RM is to enhance long-term mutual relationships with customers after developing them along with other associates, with the fulfilment of objectives. Overall, all the definitions of RM contain common factors:

- It is concerned with long term business relationships and profitable potential in terms of economic growth;
- It targets to develop mutual relationships based on philosophical understanding among them and consensus approach in decisive matters;
- It entails incessant learning and advancing for further reinforcement of the relationship;
- It requires creation of strategic systems and tools that sustain the customers' and suppliers' needs while focusing on business goals. (Blomqvist, 2000)

METHODOLOGY

Relationship marketing is a concept which has been practised across the world for last five decades. The theory is absolutely new and fresh in Bangladesh. The corporate sector which has been experiencing flourishing growth and cut-throat competition is intensively looking for some applied theory to cope up with the situation. The relationship marketing strategy can be a better remedy for them to win the market. The study is based on idea to review the literature on past academic research on rural marketing so that the firms obtain a guideline particularly for telco industry.

LITERATURE REVIEW

There had been several major developments during the 20th century in marketing. According to Christopher *et al.* (1991) consumer marketing which was mainly corporate manufacturers and brand marketing were the key concepts that lead the marketing sector of businesses in 1950s. Chronologically from then till 1980s, marketing was characterised by industrial marketing research, non-profit sector of marketing and then the period when the service sector rose to importance with great significance. Each of these research concepts (Figure 1) led to 'new ideas that were being established and an overall growth of marketing power in the commercial world' (Egan, 2001).

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FIGURE1: DEVELOPMENT IN MARKETING
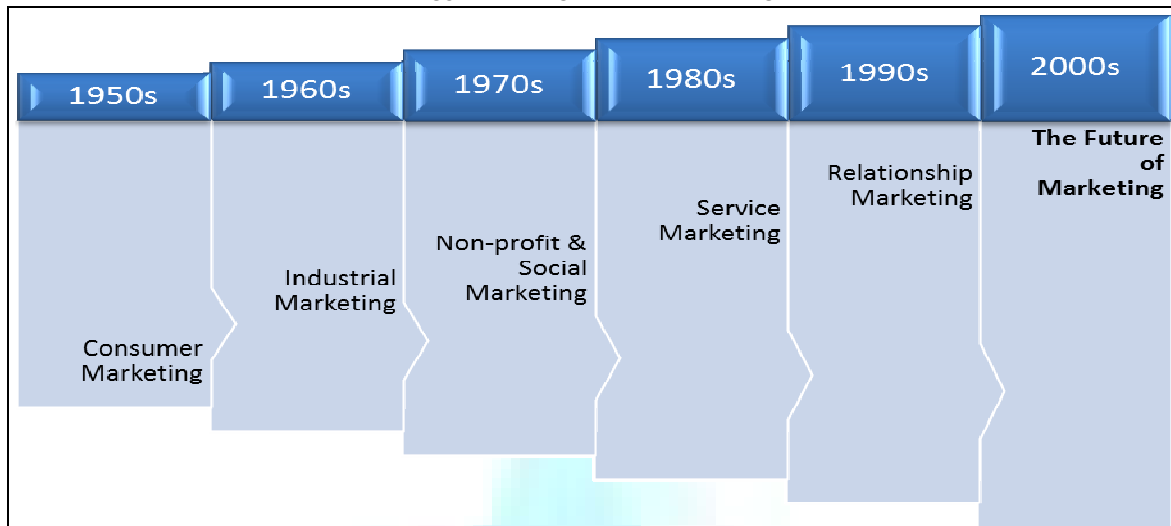
(Source: Adapted from Christopher *et al*.1991)

Marketers are gradually finding out that the traditional way of marketing, according to 'marketing mix'—price, product, promotion, place is becoming inadequate to fulfil market needs. However, marketing mix is referred as 'the holy quadruple…of the marketing faith…written in tablets of stone' (Kent 1998:146). Traditionally, this theory did establish basics of marketing which was developed from micro economy and monopolistic theory (1930) and ethical issue in advertisement (Grönroos 1994).Therefore, even though this theory of marketing is shifting to new paradigm, empirical research suggests that it still remains indisputable concept in academic research of marketing and plays major role in terms of performing businesses (Hultman and Shaw 2003;Coviello et al. 2002).

RECENT PARADIGM SHIFT
However as a paradigm, researchers are finding RM a modern trend (Sheth *et al*. 1988). Most researcher state that the term paradigm is used in a way that supports its application to the necessity of relationship marketing (Schneider 1980).
A major shift that is occurring in the conceptual theories of marketing is being stated as paradigm shift by researchers. The marketing mix and traditional concepts of marketing including services marketing, industrial marketing, and the economy of customer relationship is developing further towards 'relationship oriented approach' in market (Grönroos 1994). This paradigm shift is stated to be Relationship Marketing. There were reasons as to why the need for paradigm shift arose.
- To involve recognition of importance of customer retention
- To globalize the businesses
- To keep up the pace with progressing market economy
- To develop nature of marketing mix
- To fulfil the need for establishing closer customer relationship

Besides the above market demands, paradigm shift occurred to fulfil the lacking of marketing practice and achievements. Traditional marketing consisted a production oriented characterization, not customer or market based whereas market demanded oppositely. Furthermore as it was discussed, categories were found not mutually exclusive and the basis of classification was identified.
As the marketing mix is the basic framework in RM, the newer developments comes of further analysis of these same key concepts showed in the diagram.

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FIGURE 2: MARKETING MIX

New product development, brand management, features, benefits, packaging,

Product

Costs, profits, liquidity, competitiveness, value, incentives

Product

Price

Channel management, retail location and retail image, logistics

Promotion

Marketing communication mix, integrated communications

(Source: Egan, 2001)

A number of indispensable elements of relationship marketing paradigm were being conversed where it was mentioned that supplementary knowledge permitted the augmentation of RM as an alternative viewpoint. For instance, the concentration of business was on customer increase, rather than retention and satisfaction although they both share proportional outcome to each other according to Schneider (1980).

Basically, relationship marketing focuses mostly on a long-term relationship with its partners spreading in numerous transactions (Dwyer *et al.*, 1987). This mutually beneficial and long-term characteristic of RM highlights that 'customer satisfaction is a necessity but the prominent goal should be to establish a long-lasting relationship with mutual benefits' (Achrol, 1997). Companies can distinguish the value of long-term relationships with customers and partners but for implementation, they still need proficient knowledge of RM in most cases (Egan, 2001).

GLOBAL RELATIONAL DEVELOPMENT

The importance and implementation of RM globally is another aspect that marketing practitioners are looking at to evaluate its strategic development. Firstly, there are not any specified directions for marketing accomplishment which can be founded on past experience in reasonably steady markets in global open markets. Open market conditions generate elevated planes of transformations and intricacy between and within organizational borders. Establishing more open relationships with key customers, suppliers and other stakeholders can be seen as strategies for creating stability as well as opportunities of value creation.

Secondly, modern information technologies have enabled better and faster exchange links between data collection and firms about customer behaviour on an unparalleled scale. We believe that a 'transactional' marketing mindset is not adequate to work with these changes and challenges. With increasing uncertainty in financial markets since September 11 and more recent dismay at unethical short-cut approaches to creating shareholder value, academic and practitioner interest in the creation and distribution of value among a firm's stakeholders seems likely to increase.

EXCHANGE TO RELATIONSHIP MARKETING

TRANSACTION AND RELATIONSHIP MARKETING

Jackson (1985) made important distinctions between relationship marketing and transaction marketing. According to the relationship marketing literature, a transaction marketing approach focuses on the single sale so that customer attraction, rather than retention, is thought to be the key criterion for business success (Christopher, Payne, and Ballantyne, 2002; Jackson 1985). However, as markets have matured and customers have become more affluent and are able to switch products and services more easily, organizations have realized that there are benefits to establishing and maintaining relationships with clients and suppliers. In other words, arguably close relationships with customers can lead to sustainable competitive advantage (Rosenberg and Czepiel 1984; Reichheld and Sasser 1990).

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FIGURE 3: FACTORS ACCOUNTING FOR RM SUCCESS
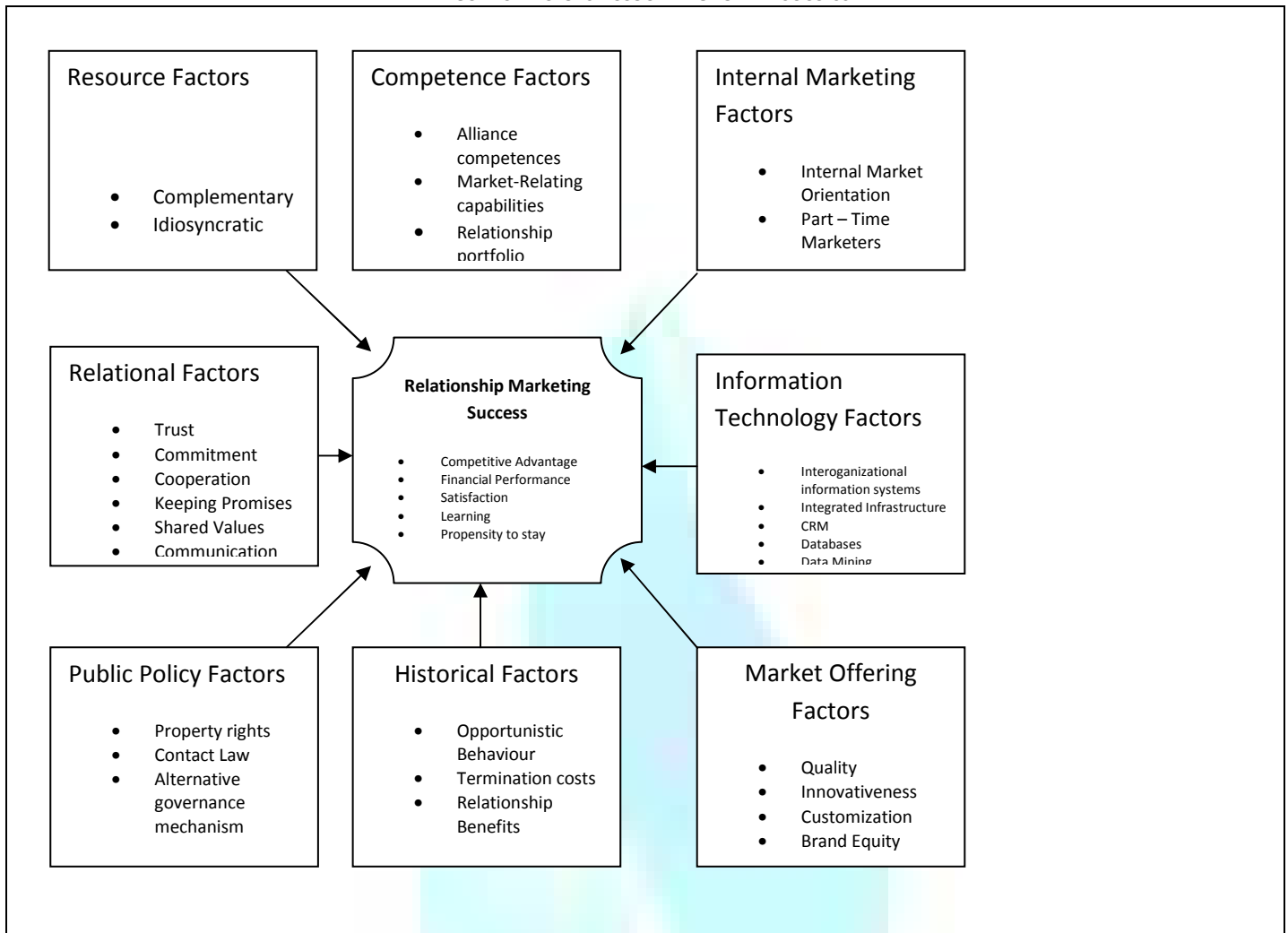
Source: Hunt and Arnett (2004)

The above figure classifies RM success into eight different factors that contribute to this achievement. These are factors that differentiate RM from other strategies. These are the some materials or immaterial benefit that firm can enjoy by practicing relationship marketing in their organization. Nevertheless inn comparison between these two concepts of marketing, it can be said that both highlights on customer acquisition and retention more or less (Grönoos, 1996; Gummeson, 1999). The goal of the latter is to acquire new customers, whereas relationship marketing aims at retaining valuable customers by focusing on individual needs (Liljander, 2000). However in transaction marketing, customer can develop attachment to the brand or the company's image besides the core product. Whereas, RM focuses on customer satisfaction, value and creating long-term attachments that would result in permanent relational development with customers resulting in higher profitability. Besides, RM provides added value to the customer which the core product cannot provide by itself.

IMPORTANCE OF RELATIONAL EXCHANGE

Relational exchanges, in other words, relationship marketing became controversial concept amongst businesses for its strategic establishment. Companies and firms tend to involve into relational interactions with other consumers and businesses mainly since rivalry is centrally focused on economy. It is proposed that firms enter into these relational exchanges when these relations benefits companies to contend more efficiently. And at that time, relationship marketing entails a strategic approach (Berry, 1983).

It has been suggested that, when used with skill, customer retention leads to enhanced revenue, reduced costs and improved financial performance. This echoes the claim by proposing a list of accumulating benefits that contribute to an entire 'life cycle of profits' from the customer (Egan, 2001; Reichheld, 1996).

The economic sociology literature, which has claimed that economic transactions are embedded in social relationships, provides a theoretical explanation for the double consideration of traditional marketing variables and relationship marketing variables (Granovetter, 1985; Wathne, Biong, and Heide, 2001). Two of the seven principles of embedded concepts listed by Hunt and Arnett (2003) can be used to justify the simultaneous use of transactional and relational marketing efforts. The first principle claims that human action should not be over socialized. This principle advises on the danger of ignoring the importance of the intrinsic economic value of an exchange to the exclusive benefit of its social advantages.

CUSTOMER RELATIONSHIP

CUSTOMER ACQUISITION AND RETENTION

Traditional marketing had been attempting to make new customers whereas, it is crucial that both new customers flow in while restricting customer exit. The strategy of 'offensive marketing' which targets to draw displeased clients away from contenders, specifically in times of heavy competition (Storbacka, 1994). However in addition to the offensive marketing strategy, RM also suggests 'defensive strategies' where customer retention comes into effect. In profitibility achieve, researchers believe that dual strategies need to be efficiently in use for a company in order to fulfil RM's objectives (Egan, 2001).This theory is called 'leaky bucket theory' as the following diagram demonstrates (Figure 4)

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FIGURE 4: LEAKY BUCKET THEORY
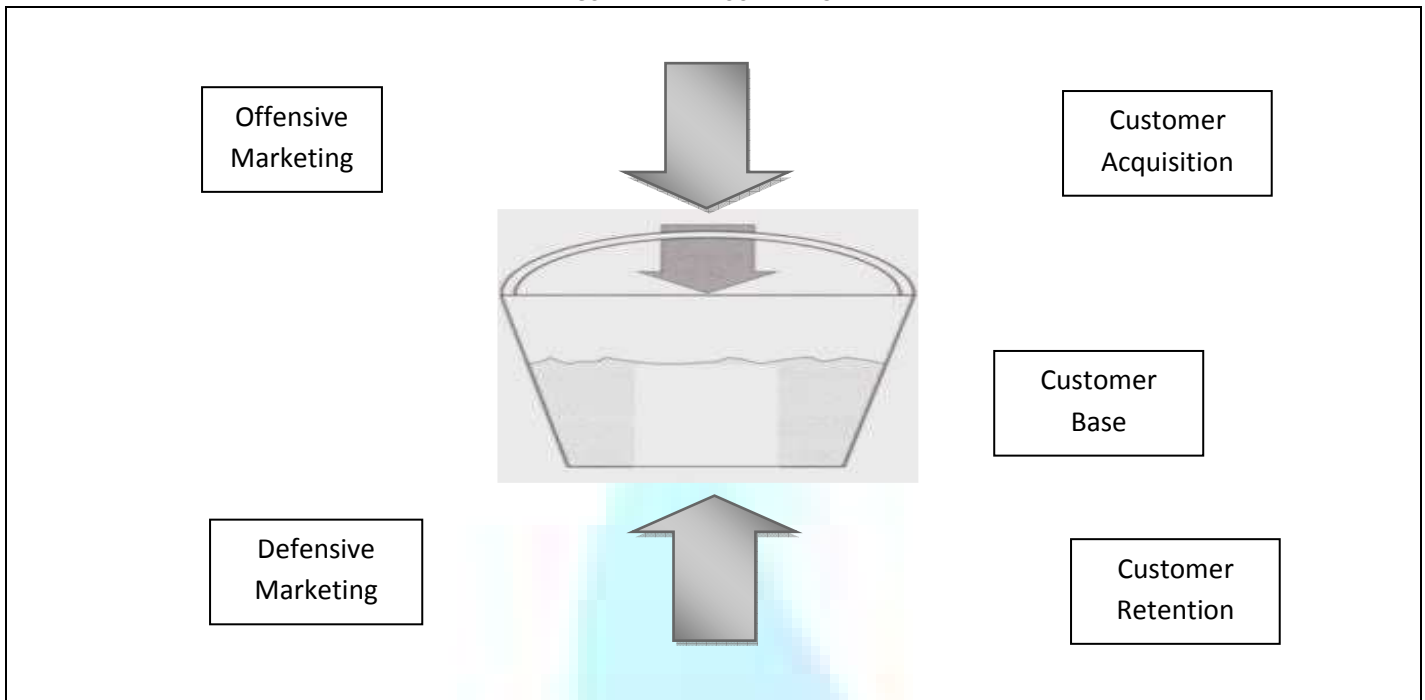
Source: Egan (2001)

Leaky bucket theory emphasizes on both customer acquisition and retention. Researchers who developed this theory state that flow of 'new blood' is significantly needed in order to replace any loss of customers (Egan, 2001). Considerably, they serve as the potential consumers since their overall number affects profitability in service marketing. In contrast, in relationship marketing customer retention has been given more prominence in perspective of company's benefit and reputation than customer acquisition (Gummesson, 1999). More companies accept the theory of customer retention generally because of the following reasons:

- Existing customers are easy and inexpensive to retain than to create new stream of clients
- It takes much less levels of marketing effort and financial input to satisfy old customers
- Consumers' loyalty serves as secure and superior profitability over time for the company (Reichheld, 1996; Egan, 2001)

EVALUATING CUSTOMER RETENTION AND ITS ECONOMICS EFFECT

Customer retention is a proficient concept of relationship marketing although further justification states that manipulating variables are also presents in this theory. According to Egan (2001), policies called 'zero defections' do exist in customer retention where it is near to impossible and impractical to retain hundred percent customers. In fact, it puts risk on company's profitability as for not every aspect of customers' behaviour is in control of company (Gummesson, 1999).

It is suggested that the benefit of customer acquisition in front-end cost exceeds customer retention because it is 'ten times costly to create new customer than to retain an existing consumer' (e.g. Christopher *et al.,* 1991; Gummesson, 1999). Therefore, more companies have extensively adapted this strategy of keeping existing customers happy first than to invest time and effort in new customer acquisition (Barnes, 1994). However, both attraction and retention are essential because economic achievement can be earned by inclusively focusing on current as well as prospective clients in long-term plan. It is because even quality management cannot prevent customers from flowing away in which case the gap must be filled (Hart, Heskett, and Sasser, 1990). Moreover, circumstantial and psychological factors drive customers to abandon interactions (Pessemier and McAlister, 1982). Generally, the higher longevity of customer relationship, the more profitable the relationship becomes to the organization (Reichheld & Sasser, 1990). Long-term customers buy more, bring in new customers, take less of the service providers' time, are less sensitive to price, and require no start-up or acquisition costs.

The economies of retention strategies are also endorsed as form of competitive advantage through the interpretation based on time that long-term relations carry out permanent advantages (Murphy, 1997). It can be mentioned that an organization's long-term financial outcomes depends on long-term maintenance and network of relationships. In terms of relational stages, individual customers are handled in different ways as needed which is opposed to the mass marketing. However, long-term customer satisfaction is important as it establishes long-term benefits. The recognition of diverse relational periods in Relationship marketing is also inclusive to the implied supposition that the higher the stage of development is, the greater the productivity of the organization.

RELATIONSHIP LOYALTY

The central concept of creating compatible relationship with customers is stated as relationship loyalty where the company develops customer growth and retention through incentives (Singh and Sirdeshmukh, 2000). Customer loyalty is viewed as the personal attachment between the customer's virtual approach and constant support for the service and company according to (Dick and Basu, 1994). In relationship marketing, relationship loyalty is a remarkable component that contributes to most of the success of RM.

LOYALTY LADDER

Loyalty ladder is a term to identify types and levels of customer loyalty encountered by the company in a graphical sense. To recognize the position of client loyalty, it is important to measure their satisfaction which would result in supportive attitudes towards the company.

TRANSFORMATION OF RELATIONSHIP LOYALTY LADDER

Relationship building has been defined to be a lasting practice. In establishing the idea, developed concept of the ladder has few more steps to this. Marketing convert individuals to **'customer'** from benefits to an organization, just before **'prospect'**. However in RM, a customer has few interactions with its providers. **'client'** is the next step. A client is someone intends to involve in a regular basis. (Payne *et. a,l* 1999)

'Supporter' is that individual who supports the company and become **'advocates'** when enthusiastically suggest us to others. Partner is the last stage where they seek to identify further ways in which mutual exchanges that can be gained from the relationship with the company.

In the following model, the stages of consumer involvement in RM have been shown:

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FIGURE 5: THE RELATIONSHIP MARKETING LADDER OF CUSTOMER LOYALTY

Competitive Advantage in Relationship Marketing

(Source: Payne *et. al* 1999)
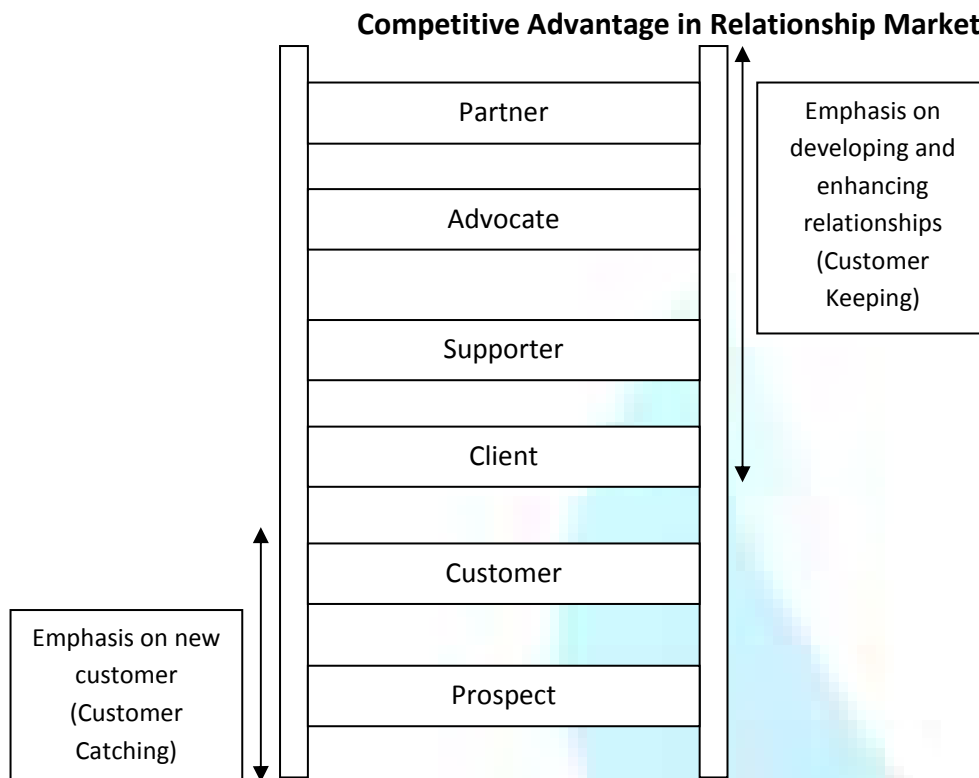
LINKAGE WITH SERVICE MARKETING

Service Marketing has close linkage with relationship marketing and combination could generate competitive advantage through marketing. Telecom industry is a kind of service marketing where customer relationship is crucial for profitable acquisition. The fundamental necessity of RM is to attain competitive advantage which generates better economic development. In case of telecom industry, companies should recognize and establish a network of relationship to better perform for its customers (Gummesson, 2002; Derozier and Hunt, 2004). Consequently, Resource-Advantage (R-A) theory along with aspects of service marketing is significant to justify the analysis in terms of competitive advantage. However, the coordination of capabilities and distinctive competency with resources create cost advantage which crucial for competitive approach for a company. (Figure: 6)

FIGURE 6: MODEL OF COMPETITIVE ADVANTAGE

A Model of Competitive Advantage
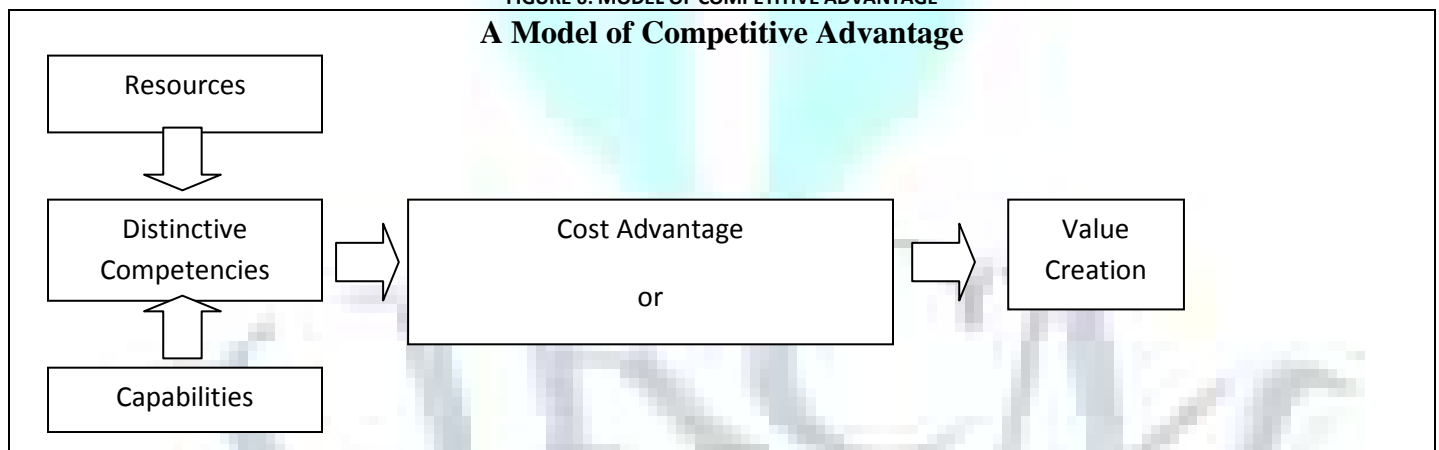
Furthermore, resource based theory is a premise that can supply foundational structure for RM approach in terms of competition (Hunt, 2002; Derozier, 2004). This evolutionary supposition includes innovation and organizational learning to be in effect economic performance. It is because the fact that company's resources are as significant advantage as consumers' preferences and satisfaction. In service marketing, competitive advantage determines company's potential profitability among other companies.

RM ACHIEVEMENT THROUGH COMPETITIVE ADVANTAGE

In competition among firms within market, comparative advantages in resources are viewed essentially. Companies taking intensive care of their customers attain competitive advantage in market through sincere hospitality of relationship between and this is where strategic implication of RM theory takes place. Relationship marketing emphasizes on customer satisfaction and preference with service and service provider which is also a major entity to increase the rate of retention. On the other hand, dissatisfaction can also be a strong incentive for negative impact (Sawhney and Zabin, 2002). Relationship marketing has the ability to build influential relations with clientele that would result in competitive advantage as well among other firms and companies. On the other hand, market relationships create sustainable advantages precisely because they are so difficult to manage.

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CONCEPTUAL MODELLING

Reviewing literature authors' have developed a conceptual modelling, which aids researchers in future to explore the practices of company based on this model. Relationship marketing is rather holistic concept and success depends on assistance from all sectors of an organization. The model in the following figure has depicted that very holistic scenario.

FIGURE 7: CONCEPTUAL FRAMEWORK OF RELATIONSHIP MARKETING DEVELOPMENT
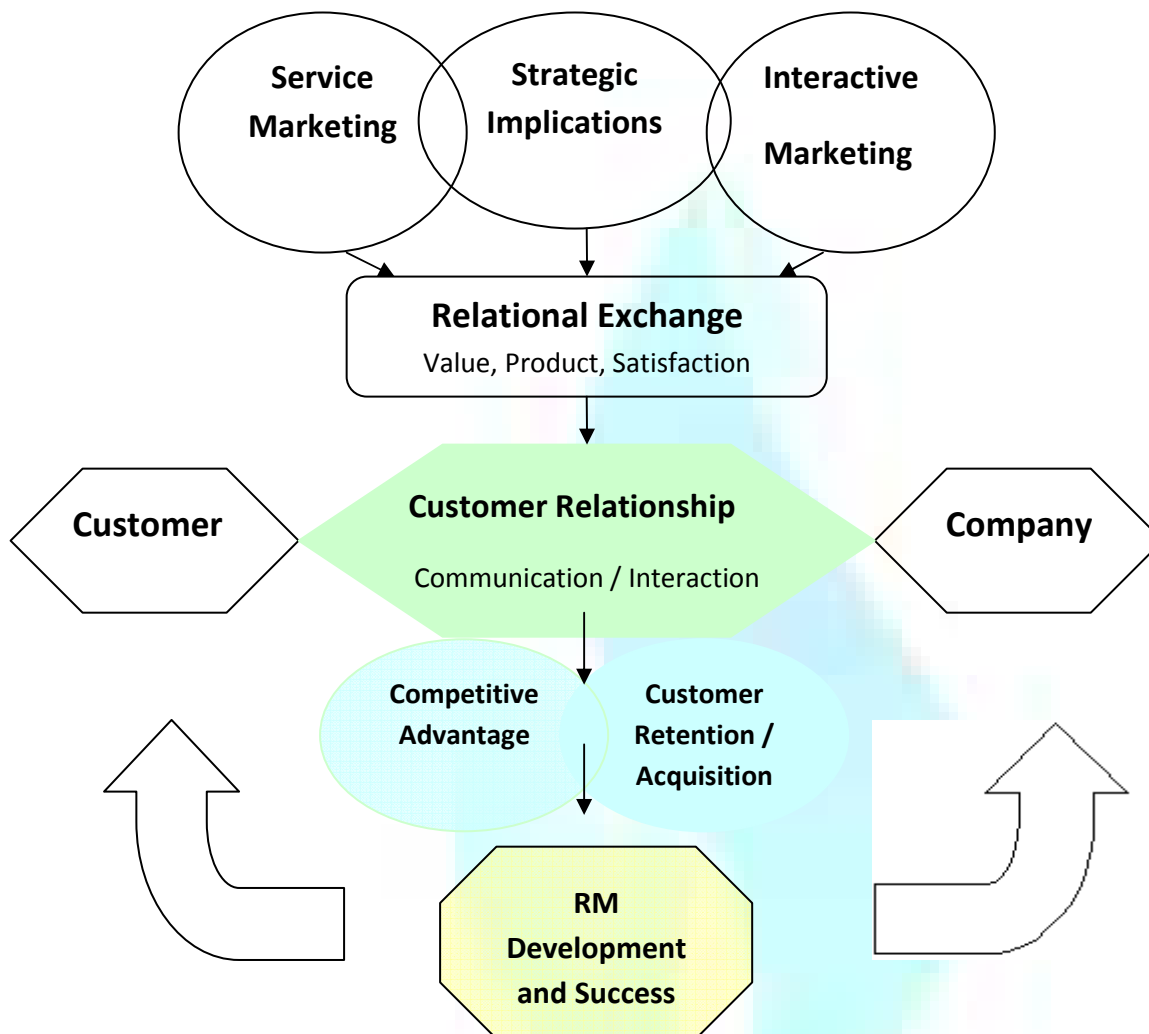
Source: Authors' analysis based on Literature Review

The central notion of the model is relationship of customer and company established only with the combination and coordination of each component showed that contribute to Relationship marketing development and RM.

CONCLUSION

This review executed ample research on Relationship Marketing comprehensive knowledge. To identify the key attributes of customer relationship and retention, definitions of marketing scholars resulting in competitive advantage in service marketing have been accumulated. Available literature of relationship marketing highlights significance of incorporation for customer acquisition/ retention in terms of creating relationship longevity. The theories and activities recommended through RM researchers about diverse aspects of strategic RM in creating prominence marketwise, the increasing efficiency of competitive advantage is discussed. Furthermore, the grounds of failure and success, ranging from strategic implication to evaluating importance have been emphasized with graphical demonstrations as available.

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EMPLOYEES RETENTION STRATEGIES: A STUDY OF SELECTED ORGANIZED RETAILER IN LUCKNOW CITY, UTTAR PRADESH

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ABSTRACT

Retail is India's largest industry. A number of factors are driving India's retail market. These includes increase in the young working population, hefty pay-packets, nuclear families in urban areas, increasing working-women population, increase in disposable income and customer aspiration, increase in expenditure for luxury items, and low share of organized retailing. The retail industry faces the difficult and costly challenge of recruiting and retaining the best talent. There are many factors that may limit the ability of retailers to keep valued employees, and it is essential to understand what employees' value, that can cause them to stay and perform well. The rapid growth of retail sector is the major concern of employee's retention problem because employees now have immense opportunity in their service period. Youngsters join the retail industry at lower salaries, get some much-needed experience and then move on to better jobs or back to school. The objective of this paper is to find out the various reasons why employees leave the job and suggest recommendation for employees' retention in retail sector. With special reference to study of selected organized retailer in Lucknow city, Uttar Pradesh.

KEYWORDS
FDI, Organized retailing, Retailing, Retention.

INTRODUCTION

The Indian retail industry is growing at a tremendous rate with various industry players entering the market as they predict a rise in the retail sector. The industry is having currently 10% of GDP[1] and 8% of employment and is estimated to be the fifth largest in global retail industry (A T Kearney's 2009). But only 3% to 4 % of total retail business is currently in organized sector. The rest is in the hands of innumerable small and unorganized sector players.

Indian retailing is not waiting for the size of business. The challenge lies on identifying the key drivers that steer the Indian consumers' perception and shopping behaviour. The reality is that every retailer has to 'understand his customers' more discerningly than ever before and make strategic choices to pursue the right target (customer) with the right proposition (Banerjee, Banerjee 2000)

The Government of India has already opened up 51% FDI[2] in single brand retail outlets since 2006. And as the government is in a process to initiate a second phase of reforms, it is cautiously exploring the avenues for opening up various other luxury categories and sports goods before opening the multi-brand segment (Vedamani, 2008).

The organized retail industry had been attracting young talents. However, faced with high levels of stress and the lack of a proper career plan, many young professional are leaving the industry. Turnover is a problem that the organized retailers are currently facing at a huge scale. Though it is experienced at all levels, the big retail brands are facing 40-60% overall turnover rate and 20-30% turnover rate at junior and middle levels. Frontline staff turnover in retail is around 20-30 %. The retail managers are of the opinion that on-job training are useful in building a company culture and hence help in better retention rates. (Shabnam, Paul 2008)

Employee retention refers to the efforts by which employers attempt to retain employees in their workforce. In an organizational setting, the goal of employers is to decrease employee turnover, training costs, and loss of talent. By implementing lessons learned from key organizational behavior concepts employers can improve retention rates and decrease the associated costs of high turnover.

One of the primary challenges in retail employment is the issue of retention. Best practices in recruitment encourage employers to advertise these benefits to prospective employees in all of their campaigns for talent. Entry-level salaries for employees in retail sector are in the range of Rs 3,000-4,800 per month, according to industry estimates. In comparison, entry-level employees in the BPO sector earn an average of Rs 15,000 a month is also one of the prime reason for attrition in retail. (Taurakhia, Dec 4, 2007)

Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Retailers are facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for retailers. But retention is even more important than hiring. There are huge opportunities for a talented person. There are many competitors which are looking for such workforce. If an employee is not satisfied by the job he's doing, he may switch over to some other more suitable job. Hiring and keeping good employees substantially reduces costs for retailers, which in turn affects their competitiveness and profitability. The failure to hire and retain qualified people is costly in a number of ways. In today's environment it becomes very important for organizations to retain their employees.

According to Kathy Mance (**Mance K. (2011)**), Executive Director of NRF, the National Retail Federation Foundation develops programs and encourages retailers to make young people more aware of the less visible career paths in a retail environment.

LITERATURE REVIEW

Research from GlobalHunt India (2009) shows sector-wise analysis that is BPO, ITeS and aviation sectors will witness attrition level of as much as 40-45 per cent this year, followed by retail and telecom (35-40 per cent), IT (30 per cent), pharma and infrastructure (20-25 per cent), while research and development will see 15-20 per cent of attrition.

The Indian retail market, which is the fifth largest retail destination globally, has been ranked as the most attractive emerging market for investment in the retail sector (AT Kearney's 2009). In 2007, the retail trade in India had a share of 8-10% in the GDP (Gross Domestic Product) of the country. In 2009, it rose to 12%. It is also expected to reach 22% by 2010.

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[1] Gross Domestic Product
[2] Foreign Direct Investment

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Among the 500 top retailers in Asia-Pacific 17 Indian retailers mark their position, as against 87 from China, 72 from Japan, 48 each from Korea and Taiwan, 40 from Australia, 38 from Hong Kong and 31 from Singapore (Retail Asia July 2008).

According to the Compare Infobase Limited, 2007, almost all the sectors in India are facing attrition, but the reasons and effects are unique to each sector like 50% in retail sector, 50% BPO sector, aviation 46%, telecom 30%, financial 40%, FMCG 17%, manufacturing, biotechnology 35%, pharmaceuticals 32% (Niketh S. 2008)

The no.1 reason for this growing attrition rate is compensation unfairness. 21% of the organizations who took part in the survey said that their employee left the organization because they got offers from other organizations offering better pay packages. The no. 2 reason was less growth opportunities and no. 3 reason was role stagnation (Hewitt's 2006).

Lynn (1997) believes that you must take time during the hiring process to make wise decisions. The employer must be candid about the working conditions, responsibilities, opportunities and other details to reduce the chances of making hiring mistakes.

In a study of retail salespeople (Firth et al, 2003) found that job stressors (example work overload, job ambiguity) are the factors that trigger the chain of psychological states that lead to intention to quit. They suggested that supervisor support can reduce the impact of stressors on psychological states and intentions to quit. Monitoring workloads and supervisor-subordinate relationships by management may not only reduce stress but increase job satisfaction and commitment to the organization.

The first reason why losing good employees is costly is that the investment in training is significant and that cost is spread out over the course of the trainee's employment. If it costs $2,000 to hire and train an employee, and that employee only stays for a month or two, the cost implications are disastrous.

Training can help revitalize personnel. For an increasing number of people, the chance to learn new skills is a significant personal goal for both the career opportunities education can provide and for the chance to do something a little different (Mendonsa, 1998).

Employees want more interaction with management, more self-satisfaction on the job, more responsibility and more control over decisions affecting them. They want their work to make a difference and want to be part of something that matters (Taylor, 1997).

Mobley et al (1979) concluded that a number of studies offered moderate support for a negative relationship between satisfaction with supervision and turnover (ie the higher the satisfaction with supervision, the lower the turnover).

RESEARCH METHODOLOGY

For this research, we choose the descriptive research which carried out with specific objective and hence it results in definite conclusions. This research tries to describe the characteristics of the respondents in relation to their retention from their concerned organization. Systematic random sampling is suggested under this study, every item of the universe has an equal chance of inclusion in the sample. We would take a sample of 50 (five samples from each retailer). From the all the outlets of 10 organized retailers in the Lucknow city itself from the top retailers in India (source: *Indian Retail Report 2008*) and of course there availability in Lucknow. The list of top 10 retailers in Lucknow is listed below:

TABLE 1: TOP TEN INDIAN RETAILER

1	Pantaloon Retail (India) Ltd.
2	K Raheja Group
3	Tata Group (Trent)
4	RPG Group
5	Landmark Group
6	AV Birla Group (Madura Garments)
7	Globus
8	Wills Lifestyle (ITC)
9	Vishal Megamart
10	Koutons Retail India Ltd.

(Source: *Indian Retail Report, 2008*)

Data Collection - The data were collected both from the primary and secondary source. For primary data we were used structured questionnaire with open ended and close ended questions. The respondents have to be responding on the 5 points Likert's Scale. The scale converted into summated Likert's scale for the calculation

Data Analysis - After the data are collected, proper tools and techniques should be used for classification and analysis of data. As we already classify the questionnaire in different heads so, it becomes easy to classify the raw data which comes under heads:

- Demographic information
- Organizational Policy/ Organizational Climate;
- Working condition/ Quality of work life;
- Personal attributes
- Personal Information

As the questionnaire is divided into different parts, parts A and D consists of descriptive questions or open ended questions and theses data are analyzed and presented with the help of bar graphs. And the hypotheses will be tested with the help of chi-square test on the parts B, C and D.

Hypothesis Testing – The next step of study is to test the hypothesis with the help of chi-square test and find out the relationship between variables. For this research we were categories the hypotheses in three forms:

A. Employees who are satisfied with their organizational policy and climate will show increasing level of retention in organized retail organization.

B. Employees who are satisfied with their working condition and quality of work life will show increasing level of retention in organized retail organization.

C. Personal attributes (like higher studies, career growth, relocation etc.) will show decreasing level of retention level in organized retail organization.

The conventional approach to hypotheses testing is to set up two hypotheses instead of one in such a way that if one hypothesis is true, the other is false. Alternatively, if one hypothesis is false or rejected, then the other is true or accepted.

I. These two hypotheses for organizational policy/ climate and retention:

A. Null hypothesis (H_o) - There is no association between the satisfactions with organizational policy/ climate and retention in organized retail organization.

B. Alternative hypothesis (H_1) - There is association between the satisfactions with organizational policy/ climate and retention in organized retail organization.

The result of organizational policy/ climate are shown in table 2 under the observed frequency

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TABLE 2: CONTINGENCY TABLE OF ORGANIZATION POLICY/ CLIMATE

Organizational Policy/ Climate	Disagree	Neutral	Agree	Row Total
1 Standard paymaster	13	11	26	50
2 Salary fairly negotiated	19	7	24	50
3 Management decision is transparent	13	7	30	50
4 Proper Induction Programme	10	8	32	50
5 Promotional policy and increments is unbiased & fair	11	15	24	50
6 Gifts are being awarded for employee	13	7	30	50
7 Insurance & medical benefits	10	10	30	50
8 Company sponsoring any certificate course	15	23	12	50
9 Concentrate on fringe benefits & rewards	13	9	28	50
10 ESOP	27	12	11	50
Column Total	**144**	**109**	**247**	**500**

The null hypothesis states that there is no significant difference between the expected and observed frequencies. The alternative hypothesis states they are different.   The level of significance (the point at which you can say with 95% confidence that the difference is NOT due to chance alone) is set at .05 (the standard for most science experiments.) The chi-square formula used on these data is

$\chi2 = (O - E)^2/E$

where

O is the Observed Frequency in each category

E is the Expected Frequency in the corresponding category is sum of

df is the "degree of freedom" (n-1)

$\chi2$ is Chi Square

Procedure for calculating Chi-square

We are now ready to use our formula for $\chi2$ and find out if there is a significant difference between the observed and expected frequencies for the organizational policy/ climate. We will set up a worksheet on table 3, and then we will follow the directions to form the columns and solve the formula

TABLE 3: WORKSHEET OF ORGANIZATION POLICY/ CLIMATE

S.no	Observed Frequency(O)	Expected Frequency (E)	(O-E)	(O-E)^2	(O-E)^2/E
1(i)	13	14	-1	1	0.071429
(ii)	1	11	-10	100	9.090909
(iii)	26	25	1	1	0.04
2 (I)	19	14	5	25	1.785714
(ii)	7	11	-4	16	1.454545
(iii)	24	25	-1	1	0.04
3 (I)	13	14	-1	1	0.071429
(ii)	7	11	-4	16	1.454545
(iii)	30	25	5	25	1
4 (I)	10	14	-4	16	1.142857
(ii)	8	11	-3	9	0.818182
(iii)	32	25	7	49	1.96
5 (I)	11	14	-3	9	0.642857
(ii)	15	11	4	16	1.454545
(iii)	24	25	-1	1	0.04
6 (I)	13	14	-1	1	0.071429
(ii)	7	11	-4	16	1.454545
(iii)	30	25	5	25	1
7 (I)	10	14	-4	16	1.142857
(ii)	10	11	-1	1	0.090909
(iii)	30	25	5	25	1
8 (I)	15	14	1	1	0.071429
(ii)	23	11	12	144	13.09091
(iii)	12	25	-13	169	6.76
9 (I)	13	14	-1	1	0.071429
(ii)	9	11	-2	4	0.363636
(iii)	28	25	3	9	0.36
10 (I)	27	14	13	169	12.07143
(ii)	12	11	1	1	0.090909
(iii)	11	25	-14	196	7.84
Chi- square					66.54649

After calculating the Chi Square value, find the "Degrees of Freedom."

Degree of freedom = (R-1) (C-1)

                 = (10-1) (3-1)

                 =18

At 5% level of significance, the critical (tabulated) value of $\chi2$ for df (18) = 28.869

(As $\chi2$ calculated > $\chi2$ tabulated) Since the value of chi-square calculated is greater than the tabulated chi-square. Null hypothesis is rejected and alternative hypothesis is accepted. So, the conclusion is that there is relationship exist between satisfaction with organizational policy/ climate and retention.

II. For the working condition/ quality of work life there are two hypotheses:

　　i.   Null hypothesis – There is no association between the working conditions/ quality of work life and retention in organized retail organization.

　　ii.   Alternative hypothesis - There is association between the working conditions/ quality of work life and retention in organized retail organization.

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The result of the working conditions/ quality of work life are shown in table 4 under the observed frequency

TABLE 4: CONTINGENCY TABLE OF WORKING CONDITIONS/ QUALITY OF WORK LIFE

	Working Conditions/ Quality of Work Life	Disagree	Neutral	Agree	Row Total
1	Flexibility of working hour	13	9	28	50
2	Compensatory leave for work on holiday	11	7	32	50
3	Fair amount of job security	9	11	30	50
4	Working conditions for female staff members are satisfactory	5	5	40	50
5	Organization helps the employees to learn new skills	7	7	36	50
6	Employees suggestions are listened with attention and if possible implemented	7	9	34	50
7	Management keeps a close watch over the activities of the employees	5	4	41	50
8	Relationship between the senior and junior employees is cordial	8	10	32	50
9	Counseling facilities to employees for career plan growth	9	13	28	50
10	Company holds affable (pleasant) exit interview	13	11	26	50
	Column Total	87	86	327	500

The null hypothesis states that there is no significant difference between the expected and observed frequencies. The alternative hypothesis states they are different. The level of significance (the point at which you can say with 95% confidence that the difference is NOT due to chance alone) is set at .05 (the standard for most science experiments.) The chi-square formula used on these data is

$\chi 2 = (O - E)^2/E$

where

O is the Observed Frequency in each category

E is the Expected Frequency in the corresponding category is sum of

df is the "degree of freedom" (n-1)

$\chi 2$ is Chi Square

Procedure for calculating Chi-square

We are now ready to use our formula for $\chi 2$ and find out if there is a significant difference between the observed and expected frequencies for the working conditions/ quality of work life. We will set up a worksheet on table 5 and then we will follow the directions to form the columns and solve the formula

TABLE 5: WORKING SHEET OF WORKING CONDITIONS/ QUALITY OF WORK LIFE

S.no	Observed Frequency(O)	Expected Frequency (E)	(O-E)	(O-E)^2	(O-E)^2/E
1(i)	13	9	4	16	1.7777778
(ii)	9	9	0	0	0
(iii)	28	32	-4	16	0.5
2 (I)	11	9	2	4	0.4444444
(ii)	7	9	-2	4	0.4444444
(iii)	32	32	0	0	0
3 (I)	9	9	0	0	0
(ii)	11	9	2	4	0.4444444
(iii)	30	32	-2	4	0.125
4 (I)	5	9	-4	16	1.7777778
(ii)	5	9	-4	16	1.7777778
(iii)	40	32	8	64	2
5 (I)	7	9	-2	4	0.4444444
(ii)	7	9	-2	4	0.4444444
(iii)	36	32	4	16	0.5
6 (I)	7	9	-2	4	0.4444444
(ii)	9	9	0	0	0
(iii)	34	32	2	4	0.125
7 (I)	5	9	-4	16	1.7777778
(ii)	4	9	-5	25	2.7777778
(iii)	41	32	9	81	2.53125
8 (I)	8	9	-1	1	0.1111111
(ii)	10	9	1	1	0.1111111
(iii)	32	32	0	0	0
9 (I)	9	9	0	0	0
(ii)	13	9	4	16	1.7777778
(iii)	28	32	-4	16	0.5
10 (I)	13	9	4	16	1.7777778
(ii)	11	9	2	4	0.4444444
(iii)	26	32	-6	36	1.125
Chi-square					24.184028

After calculating the Chi Square value, find the "Degrees of Freedom."

Degree of freedom = (R-1) (C-1)

= (10-1) (3-1)

= 18

At 5% level of significance, the critical (tabulated) value of $\chi 2$ for df (18) = 28.869

(As $\chi 2$ calculated < $\chi 2$ tabulated) Since the value of chi-square tabulated is greater than the calculated chi-square. Null hypothesis is accepted and alternative hypothesis is rejected. So, the conclusion is that there is no relationship between work condition/ quality of work life and retention.

III. For the personal attributes there are also two hypotheses:

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A.   Null hypothesis - There is no association between the personal attributes and retention in organized retail organization.

B.   Alternative hypothesis - There is association between the personal attributes and retention in organized retail organization.

The result of personal attributes are shown in table 6 under the observed frequency

TABLE 6: CONTINGENCY TABLE OF PERSONAL ATTRIBUTES

	Personal Attributes	Disagree	Neutral	Agree	Row Total
1	Feel comfortable while working with latest technology	7	7	36	50
2	Enjoying repetitive work	11	13	26	50
3	Professionally successful only if you remain a part of the present organization	19	9	22	50
4	Adequate time to spend with friends and family	24	4	22	50
5	Comfortable to relocation	7	7	36	50
6	Appreciated by superior when did good work	6	7	37	50
7	Health conscious	7	9	34	50
8	Higher Studies are the reason for attrition	11	13	26	50
9	Focused on career growth	8	5	37	50
10	Family problem are the reason for attrition	5	5	40	50
	Column Total	105	79	316	500

The null hypothesis states that there is no significant difference between the expected and observed frequencies. The alternative hypothesis states they are different.   The level of significance (the point at which you can say with 95% confidence that the difference is NOT due to chance alone) is set at .05 (the standard for most science experiments.) The chi-square formula used on these data is

$\chi2 = (O - E)^2/E$

where

O is the Observed Frequency in each category

E is the Expected Frequency in the corresponding category is sum of

df is the "degree of freedom" (n-1)

$\chi2$ is Chi Square

Procedure for calculating Chi-square

We are now ready to use our formula for $\chi2$ and find out if there is a significant difference between the observed and expected frequencies for the working conditions/ quality of work life. We will set up a worksheet on table 7 and then we will follow the directions to form the columns and solve the formula.

TABLE 7: WORKSHEET OF PERSONAL ATTRIBUTES

S.no	Observed Frequency(O)	Expected Frequency (E)	(O-E)	$(O-E)^2$	$(O-E)^2/E$
1(i)	7	10	3	9	0.9
(ii)	7	8	1	1	0.125
(iii)	36	32	-4	16	0.5
2 (I)	11	10	-1	1	0.1
(ii)	13	8	-5	25	3.125
(iii)	26	32	6	36	1.125
3 (I)	19	10	-9	81	8.1
(ii)	9	8	-1	1	0.125
(iii)	22	32	10	100	3.125
4 (I)	24	10	-14	196	19.6
(ii)	4	8	4	16	2
(iii)	22	32	10	100	3.125
5 (I)	7	10	3	9	0.9
(ii)	7	8	1	1	0.125
(iii)	36	32	-4	16	0.5
6 (I)	6	10	4	16	1.6
(ii)	7	8	1	1	0.125
(iii)	37	32	-5	25	0.78125
7 (I)	7	10	3	9	0.9
(ii)	9	8	-1	1	0.125
(iii)	34	32	-2	4	0.125
8 (I)	11	10	-1	1	0.1
(ii)	13	8	-5	25	3.125
(iii)	26	32	6	36	1.125
9 (I)	8	10	2	4	0.4
(ii)	5	8	3	9	1.125
(iii)	37	32	-5	25	0.78125
10 (I)	5	10	5	25	2.5
(ii)	5	8	3	9	1.125
(iii)	40	32	-8	64	2
Total					59.4125

After calculating the Chi Square value, find the "Degrees of Freedom."

Degree of freedom = (R-1) (C-1)

= (10-1) (3-1)

= 18

At 5% level of significance, the critical (tabulated) value of $\chi2$ for df (18) = 28.86

(As $\chi2$ calculated > $\chi2$ tabulated) Since the value of chi-square calculated is greater than the tabulated chi-square. Null hypothesis is rejected and alternative hypothesis is accepted. So, the conclusion is that there is relationship exists between personal attributes and retention.

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Now, analysis of part A and F should be presented with the help of tables.

1.   **Age of Respondents**

Age of Respondents	No. of Respondents
Below 20	0
21-25	20
26-30	18
31-35	12
Above 40	0
Total	**50**

Table 8: Age of Respondents

2.   **Gender of Respondents**

	Male	Female
Respondents	34	16

Table 9: Gender of Respondents

3.   **Marital Status of Respondents**

	Married	Unmarried
Respondents	14	36

Table 10: Marital Status pf Respondents

4.   **Qualifications of Respondents**

Qualification	No. of Respondents
Below Graduation	9
Graduation	16
Post Graduation	25
Total	50

Table 11: Qualification of Respondents

5. Total Experiences of Respondents

Total Experience	No. of Respondents
0-1 Year	10
1-3 Years	16
3-5 Years	14
More than 5 Years	10
Total	**50**

Table 12: Total Experience of Respondents

6. Experience in Present Organization

Experience in Present Organization	No. of Respondents
0-1 Year	14
1-3 Years	24
3-5 Years	10
More than 5 Years	2
Total	50

Table 13: Respondents Experience in Present Organization

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7. Present Employability of Respondents

8. Enhancing Skills/ Qualification

Degree of Employability	No. of Respondents
High	12
Low	0
Moderate	28
Can't say	10
Total	50

Table 14: Present Employability of Respondents

Response	No. of Respondents
Yes	28
No	12
Can't say	10
Total	50

Table 15: Respondents Response on Enhancing Skill

9. Personal Income

10. Family Income

Personal Income	No. of Respondents
Rs. 1-3 lacs	38
Rs. 3-6 lacs	12
Rs. 6-9 lacs	0
Rs. 9 lacs & above	0
Total	50

Table 16: Respondents Response on Personal Income

Family Income	No. of Respondents
Rs. 1-5 lacs	30
Rs. 5-10 lacs	18
Rs. 10-15 lacs	2
Rs. 15 lacs & above	0
Total	50

Table 17: Respondents Response on Family Income

11.   Reason for Leaving Previous Organization

Reasons of leaving previous organization are different with different respondents and there are as fallows:
(i)   For career growth;
(ii)   Better pay package;
(iii)   Personal reasons;
(iv)   Job security;
(v)   There skills are not properly utilized;
(vi)   Some have interest in retail sector.

12.   Most Enjoyable part of Job

Because of the respondents are frontline executive therefore, their most interesting or enjoyable part of job are customer interaction and achieved their sales target.

13.   Retention Level

Retention level should be maximized by following:-
(i)   Better remuneration
(ii)   Proper increments
(iii)   Transparent appraisal system
(iv)   Better job conditions
(v)   Employees counseling
(vi)   Social gathering (parties, picnics)

14.   Dream Organization

(i)   Almost all the respondents want their dream organization as better paymaster, more big company with good profile.
(ii)   Few are still want to stay with their present organization in future as they are satisfied with their present organization
(iii)   Some respondents want their dream organization as where there skills are properly utilized.
(iv)   Some want to change their respective sector with other like automobile and telecom because of their interest.

CONCLUSIONS

1.   68% respondents are male and only 32% are female. Now, it clears that in retail sector the male employees are in large extent. Because male employees are mobile, having more responsibility of family as compared to female and very much not satisfied with their job (dissatisfaction) are the most prominent reason for employee turnover, which create problem in the execution of retention strategies.

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2. 72% respondents are unmarried. As unmarried or single individual are more risk taker, they didn't compromise with their present conditions, they get attracted to other competitors or other sector job most of the time caused problem in retention.

3. 76% respondents are below the age of 30. This data shows that organized retail organization having a young force, which may be the cause of employee turnover in this particular sector. Because they have ample opportunity of better job prospect also create problem in retention.

4. 50% respondents are postgraduate. 32% are graduate and only 18% are below graduation.

5. All the respondents are agreed that if they satisfied with organizational policy/ organizational climate of their concerned organization than their retention level is at maximum. The study reveals that there is a relationship between organizational policy/ climate and retention. As the organizational policy/ climate become simple and understandable, co-operative, and trustworthy than retention level become higher.

6. From the study it was clear that retail employees are agreed on the fact that their organized retailers provides better working condition/ quality of work life to their employees so, they do not leave the job. And it was also proving by the chi-square test where it was clear that there is no relationship between retention and work conditions/ quality of work life in organized retailing.

7. Different personal attributes like higher studies, career growth, recognition, family had direct impact on respondent's current employability. Retail employees who are facing such personal problem shows decreasing level of retention in comparison to those respondents who had less personal problem.

8. About 56% respondents are involved in enhancing their skills or qualification like they go for higher studies or any other diploma courses for their career advancement that caused employee turnover in retail sector.

9. About 56% respondents rate their present employability as moderate. Its means that employees had a capability of gaining initial employment, maintaining employment, and obtaining new employment if required. So, present employability also creates a problem for retention in organized retail sector.

10. The personal income of 76% employees is between Rs. 1-3 lacs and other 24% employees had between Rs. 3-6 lacs. This data shows that employees having less salary are more prone to switch over on other job easily.

11. Most of the organizations are trying to retain their employees by the various means like practicing social gathering, conducting good appraisal system, provide better remuneration and increments and proper counseling.

RECOMMENDATION

1. Compensation constitutes the largest part of the employee retention process. The employees always have high expectations regarding their compensation packages. So an attractive compensation package should plays a critical role in retaining the employees.

2. Growth and development are the integral part of every individual's career. If an employee can not foresee his path of career development in his current organization, there are chances that he'll leave the organization as soon as he gets an opportunity.

3. The work profile on which the employee is working should be in sync with his capabilities. The profile should not be too low or too high.

4. Employees' responsibilities in the organization should help him achieve his personal goals also. Organizations can not keep aside the individual goals of employees and foster organizations goals. Employees' priority is to work for them and later on comes the organization. If he's not satisfied with his growth, he'll not be able to contribute in organization growth.

5. Employees should be trained and given chance to improve and enhance their skills. These trainings can be given to improve many skills like communications skills, technical skills, in-house processes and procedures improvement related skills and customer satisfaction related skills or special project related skills.

6. Management should try to focus on its employees and support them not only in their difficult times at work but also through the times of personal crisis.

7. Management can support employees by providing them recognition, appreciation, proper counseling and providing emotional support.

8. The feedback from supervisor helps the employee to feel more responsible, confident and empowered. They tend to be honest, and they provide consistent feedback, both positive and negative. They are respectful of others preserving an employee's dignity is important to them and they respect differences and value diversity among their employees.

9. An employee should be recruited if there is a proper place and duties for him to perform. Otherwise he'll feel useless and will be dissatisfied and it becomes the reason of employee turnover.

10. The reason of employee's turnover may be personal or professional. These reasons should be understood by the employer and should be taken care of. The organizations are becoming aware of these reasons and adopting many strategies for employee retention.

11. Managers who retain employees tend to be good listeners who show an interest in what employees are thinking and doing. Certainly, they share many of the characteristics of a good teacher they are good communicators, and regardless of personality they are caring, fair, and attentive, and stayed focused on company goals.

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COSTING EMPLOYEE TURNOVER BASED ON EMPLOYEE PERFORMANCE LEVEL - A STUDY ON FIVE STAR HOTELS IN BANGALORE

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ABSTRACT

The purpose of this study is to explore the cost of employee turnover based on the performance level of employees of five star hotels in Bangalore. From the analysis of the data collected from the participating hotels in the survey it has been observed that Food and Beverage Service department recorded the maximum number of employee turnover irrespective of the performance levels. As far as the low performing employee turnover is concerned Food and Beverage Production department recorded the second highest. Housekeeping department has the least number of employee turnover whether high performing, or medium performing or low performing employees. The category-wise average turnover cost analysis of the various hotels reveals that in the case of both high performing employees and medium performing employees the replacement hiring cost is the highest. The analysis also shows that the second highest category-wise average cost of employee turnover incurred by hotels are on training new hire cost. It has been observed that the training new hire cost is the maximum as far as the category-wise average cost of employee turnover is concerned in the case of low performing employee in hotels followed by replacement hiring cost . The study also reveals that there is a significant relationship between the Performance level of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore. From the study it can be interpreted that there is no significant relationship between the performance level of employees and number of employees left Five Star Hotels in Bangalore. The study brings out the fact that there is significant relationship between the Performance Level of employees and Cost per Employee Turnover of Five Star Hotels in Bangalore

KEYWORDS

Employee Performance Employee Turnover, Separation Processing Cost, Replacement Hiring Cost, Training New Hire Cost, Lost Productivity / Lost Business Cost.

INTRODUCTION

Hotel Industry is one of the most important sources to support tourist and tourists require accommodation during their trip to India. Taking into account of the high competition, the hotel industry needs to expand in India. The high competition in the hotel market has led most of the hotels to change their previous services making it unique and a strong point to face the competition. As human resource is the major issue in service process and in order to add more value to the service, most of the hotels established good training programs for their employees. Employee Turnover is one of the most important issues faced by the hospitality industry today. Researchers from all over the world have suggested that employee turnover is highest in the hospitality industry. Gautam, AM (2005) in his studies have shown that the average turnover level among non-management hotel employees in the US is about 50%, and about 25% for management staff. Estimates of average annual employee turnover range from around 60 to 300 percent.

Employee turnover may compromise the consistency and quality of customer service, resulting in direct reductions of revenue and profitability of any hospitality organisation. It is obvious that employees who are planning to leave the organisation may not be motivated to perform at adequate levels, and it takes time for new staff members to acquire the knowledge and skills necessary to be proficient in their essential duties and responsibilities. Moreover, the stress on remaining staff members may limit their ability to meet guests' expectations and can create burnout that further exacerbates and perpetuates the problem

In recent times it has been observed that out of the candidates who takes up a career in hotel industry, majority of them leave the industry within a year or two. This would definitely affect the cost of the labour by way of fresh recruitment, training, etc. Moreover, when there is a frequent employee turnover, it will affect the customer satisfaction and the erosion of talent would create a vacuum in the managerial spectrum which in turn will have an impact on the financial performance of the Hotel. Retention experts say hotels spend thousands of rupees every year for each new employee they must train to replace a seasoned worker who leaves. It is no longer a startling fact that the cost of losing an employee is between half and one-and-a-half times their annual salary!

The purpose of this study is to explore the cost of employee turnover based on the performance level of employees of five star hotels in Bangalore.

REVIEW OF LITERATURE

The extent of the impact of turnover on an organisation cannot be fully understood if there is no attempt to quantify the costs. The more complex approaches to costing turnover give a more accurate and higher estimate of the costs. Such approaches often take into account the costs associated with lost productivity (i.e. the productivity of a new employee during their first few weeks or months in the role and that of resignees during the notice period) and the effect on morale of the remaining workforce. One such framework is that proposed by Tziner and Birati (1996) which builds on the earlier Cascio model of separation costs, replacement costs and training costs. The Tziner and Birati framework includes:

• Direct costs incurred in the replacement process (recruiting, hiring, training and socialising new employees, including the extra effort by supervisors and co-workers to integrate them

• Indirect costs and losses relating to interruptions in production, sales and the delivery of goods to customers

• Financial value of the estimated effect on performance as a result of the drop in morale of the remaining workforce following dysfunctional turnover. While such approaches are perhaps more accurate in that they cover all the costs associated with turnover, in practice these can prove too complex and time-consuming for many organisations. The UK Chartered Institute of Personnel and Development (CIPD) suggests that because of the difficulties involved in estimating and quantifying some of the indirect costs many organisations prefer to take a 'not less than' approach in attempting to cost turnover. According to the CIPD (2004), it is possible to compute a 'not less than' figure by working out what it costs on average to replace a leaver with a new starter in each major

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employment category. This figure can then be multiplied by the crude turnover rate for that employee group to calculate the total annual costs of turnover. The CIPD suggests that the major turnover costs are:
• Administration of the resignation (including exit interviews)
• Recruitment costs (including advertising)
• Selection costs
• Costs of cover (temporary employees or overtime) during the vacancy period
• Administration of recruitment and selection process
• Induction training for new employees.

THE COST OF HOTEL EMPLOYEE TURNOVER - A BETTER UNDERSTANDING

The employee turnover process can be divided into three phases: Separation, Acquisition, Knowledge Transfer and Training. During each of these stages, direct and indirect costs are incurred by the hotels. Direct costs are those expenses that are easily identified and associated with specific activity. Indirect costs are not as easily identified or quantified. Few argue that indirect costs exist; however quantifying these indirect costs is often a subjective process that varies from hotels to hotels.

Separation costs are those expenses associated with the disassociation of the employee from the position. They may include actual contract buyouts, litigation costs, creased productivity, loss of institutional knowledge and any acts of malfeasance. If any employee just leaves to take a better offer else where, for example, there may only be separation costs associated with the payout of accumulated leave and the loss of productivity. If an employee becomes disgruntled for a period of time prior to departing, then an organization may experience decreased productivity from the individual (the employee peers) and incur costs associated with any ill will that the individual may exhibit towards the organization. If an employee leaves feeling that unfair treatment or discriminatory behavior was exhibited towards him or her, legal expenses may be incurred by the organization.

Acquisition costs include items related to the recruitment, selection and placement of a new individual. Advertisement costs, transactional costs for paperwork processing, lost time and productivity of the search committee, interviewing, reference checking and relocation costs are some typical examples.

Apart from separation and acquisition costs, there are expenses associated with orientation and subsequent training of the new employee. A rule of the thumb is that it takes two to three months for a new employee to reach a basic level of competency in the new organization. In association to the direct costs associated with learning, there are the indirect costs of diminished productivity between the new hire and the former employee. Hopefully this balance declines as the new hire gains experience and ultimately reaches or surpasses the previous employee. In some cases, however, the new employee performs below the level of his or her predecessor. The costs of this lost productivity can be very real, in some cases requiring the institution to hire another employee to "take up the slack"

MODELS ON COST OF EMPLOYEE TURNOVER

There are several theoretical frameworks or models for understanding the financial implications of attrition. Let us discuss some of the model on cost of employee turnover (adapted from Flamholtz, 1985)

There are individual components that represent direct and indirect costs associated in the separation, acquisition, and knowledge transfer / learning phases of hiring a new employee. The following table illustrates the details about the components of the specific costs which may be difficult to quantify and vary from organization to organization.

SEPARATION COSTS

Direct Costs	
Buyout	Buyout costs include annual leave cash-out, incentives, and other contract separation costs
Litigation	Legal costs can be incurred associated with wrongful termination or gender/ equity issues that may be brought against the institution
Indirect Costs	
Lost productivity	The outgoing employee loses productivity while becoming disenchanted about the position or while seeking another job. Other employees in the unit may lose productivity as a result of the employee's behaviour

ACQUISITION COSTS

The acquisition phase has three main components- recruitment, selection and placement. Total acquisition costs can vary widely depending on the position and the search mechanism that has to be used accordingly.

Direct Costs	
Ad placement	Advertisement must usually be placed in local newspapers, discipline-specific magazines, or national media. Rates vary widely. Ad placed on local bulletin boards, institutional Web sites, or association Web sites, generally carry some change.
Search firm fee	For selected searches, institutions will retain search firms; fees vary
Time of search committee	Although committee members contribute their time to searches at no additional fee, there is an opportunity cost associated with their time.
Time of HR staff	Costs arise from processing paperwork, routing approvals, and so forth
Contract labour	An outside contract with equivalent skills may have to be called in to fill vacant position while the search is processing
Indirect Costs	
Lost productivity	The unit experiences lost productivity while the position is vacant. This may result in a direct cost when the position is filled with a temporary employee or a contractor and therefore lessening the productivity loss of the vacant position. Contract labour is seldom hired to supplement lost productivity of the search committee.

SELECTION COSTS

Once recruitment is underway, time must be allocated for the selection process. The majority of the cost associated with this phase comes in the form of the search committee. Committee members spend time contacting references, verifying credentials, conferring with each other and so on. During the selection process individuals are brought in for interviews. Depending on the position, this may include out of town and travel for the candidate and sometimes a space.

Direct Costs	
Site Visits	Travel and entertainment expenses are associated with bringing the candidate(s) in for an interview
Time of search committee	Committee members contribute their time to the search, however, there is an opportunity cost associated with temporarily refocusing their efforts
Time of others in department	When candidates are interviewed, many in the department are involved in the interview. Although this time appears to have no cost, other activities are pushed back during these periods.
Indirect Costs	
Lost productivity	In this phase the indirect costs of lost productivity continue.

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RELOCATION COSTS

Once a selection has been made, the institution incurs costs for relocation. Relocation costs may include house hunting trips for the new hire and spouse, moving expenses and so on.

Direct Costs	
House hunting	Costs are associated with a new employee's search for housing
Moving expenses	Costs are often seen for moving personal belongings from previous location/ institution to the new location/ institution
Time of departmental staff	Some amount of staff time is required to process paperwork, route approvals, issue reimbursement checks, and so forth.
Indirect Costs	
Lost productivity	The new hire loses productivity while coping with various facets of relocation. There may also be lost productivity for others in the unit as they help the new employee get situated.

KNOWLEDGE ACQUISITION AND TRAINING COSTS

Once a candidate has been selected, a process of personal development acculturation to the organization begins. Individuals must learn about the organization, the department, and the new position. Many organizations require new hires to participate in orientation programmes. Others provide on-the-job training. In some cases additional off site training is required, as the new employee gains needed certifications.

Direct Costs	
Orientation	The institution provides orientation sessions for new employees
Training	In some cases, new employees are required to complete additional training (or on-the-job training) to raise their skill level.
Indirect Costs	
Lost productivity	The new employee loses productivity while learning about the institution and the new job. Other employees in the unit may lose productivity as they help the new hire adjust.
Institutional knowledge	The outgoing employee will take institutional knowledge that the new employee must gain through experience. Rarely is this institutional knowledge archived for future employees.

SOME OTHER MODELS OF TURNOVER COST [1]

Fundamental turnover cost methods offer a basic means for estimating turnover cost. Although these methods may be based on estimations of cost along a number of categories, they only allow for variation based on salary. Turnover cost models use cost categories, and this categorization provides for variation. This variation, in turn, creates more precise turnover cost estimations. The following section looks at five separate industry models.

MODEL ONE

Advantage Assessment, Inc. [2] provides a means of calculating turnover cost through their cost calculator. Their model uses the number of leavers the annual salary for these leavers. In addition, information on hiring, including the number of applicants for each job opening and the number of employees interviewed per job opening, must be provided. Finally, the Advantage Assessment model also uses the total number of employees within the organization.

MODEL TWO

Sorensen (1995) and Jones (1999) propose a similar model for calculating employee turnover costs. Their model includes three primary categories of expenses: (1) hiring costs, (2) training costs, (3) lost productivity costs. Several factors affect the amount employers spend on hiring. Hiring costs include advertising, in time and effort for reading applications, scheduling and conducting interviews, and post-employment hiring tasks. Training costs involve both orientation activities and training sessions. Sorensen (1995) also includes supervisory time spent in additional on-the-job training as a cost factor. Lost productivity is defined as the trainer's invested time inn the leavers increased procedural time. Given the timeframe for teacher contracts and the timing of teachers' departures (usually in the summer between school years), districts are les likely to encounter problems with increased procedural time. Productivity loss calculations usually include declines in productivity due to differences in performance between the veteran leaver and the trainee. In education, teacher productivity could be expressed in terms of student performance. But it would be difficult to put a monetary value on performance; therefore, they have not estimated turnover costs due to productivity.

MODEL THREE

People Sense [3] provides a turnover cost calculator that incorporates the three primary categories of Model Two introduces vacancy costs as contributor to the cost of turnover. The People Sense model requires the amount the amount for the leaver's annual salary and benefits. Benefits are estimated at 25 percent of the leaver's annual salary. The number of employees in the organization must also be provided.

People Sense identifies several factors that contribute to recruiting and hiring costs, including advertising, employee referral fees, recruiter(s) fees, signing bonuses. In addition, the number of weeks the position is vacant and the number of candidates screened also contribute to the hiring costs. Training costs in this model are limited to the number of hours of formal training and the cost per hour of the trainer's time. In order to determine turnover costs due to learning curve requirements of the vacant position must be estimated. For position in which the new employee can easily assume the leaver's duties, the learning curve is considered quickly. A quick learning curve predicts that the new employee gain 25 percent productivity each month such that by the fourth month, the new employee is fully productive. For an average learning curve, an employee gains 25 percent productivity in the first three months and 25 percent every two months after that; a new employee must spend 9 months in a position with an average learning curve to be fully productive. For very complicated positions, gains in productivity are slower. With lengthy learning curves, the new employee achieves 25 percent productivity in the first four months and 25 percent productivity every three months following, for a total of 16 months of work (or about two years for a teacher) to achieve full productivity. In addition to hiring, training, and learning curve costs, vacancy costs also contribute to the costs of turnover according to this model. Vacancy costs comprise the wages for substitute employees during the period the position is vacant.

MODEL FOUR

Cascio's model of turnover costs specifies four types of cost involved in turnover: (1) separation costs, (2) replacement or hiring costs, (3) training costs, (4) learning curve loss (Cascio, 1987). Separation costs involve a number of factors. If an organization conducts exit interviews, the cost of the interviewer's time for preparation and the cost of the leaver's time for the interview must be calculated. Separation costs also include the cost of administrative functions related to the separation and any separation pay provided to the leaver (in accrued vacation, etc)

Like many other models, Cascio's model for turnover cost includes costs related hiring new employees. These costs encompass costs for communication of availability of the position (such as advertising/ or agency fees), pre-employment administrative tasks, pre-employment testing costs. In addition, time spent by administrators on entrance interviews and staff time spent in hiring meetings comprises hiring costs. Post employment tasks and dissemination activities also contribute to the cost of hiring. Any travel costs or other expenses related to moving the new employee should be included in the hiring costs.

The training costs proposed by Cascio include both formal and informal training. Informational literature and training materials comprise part of training costs. In addition, calculations of training costs must include costs of training time for the trainer(s) and the trainee(s) during formal training. The cost of informal training

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encompasses the time of the supervisor or veteran employee and the time of the trainee spent on informal, on-the-job training. In addition, informal training costs must account for reduction in productivity of the supervisor or veteran employee during the informal training.

Unlike previous models that assume the new employee has lower productivity than the leaver, Cascio stipulates that productivity does not always follow this mold. He assumes that productivity differentials, he recommends using the following formula:

- Divide the leaver's annual salary by the midpoint of the pay grade multiply this by 100
- Divide the new employee's salary by the midpoint and multiply by 100
- Subtract the new employee's ratio from the leaver's ratio

If the differential results in a positive number, then a learning curve loss and loss in productivity occur creating an increase in the cost of turnover. If the differential results in the negative number, then a learning curve gain and improvement in productivity occur creating a decrease in turnover costs.

MODEL FIVE

Model Five is a comprehensive model for calculating employee turnover. Described by multiple sources, this model asserts that turnover cost calculations must include termination or separation costs, hiring costs, vacancy costs, learning curve loss, and training costs (Bliss; Fitz-enz, 1997; Pinkovitz, Moskal, and Green, 1997; Fitz-enz, 1998; Brown, 2000). While each source may not define the categories in precisely the same manner, all of the aforementioned sources do include these categories in calculating the cost of employee turnover.

Within termination costs, several factors emerge. Termination costs include exit interview costs, if required by the organization. The cost of administrative tasks related to termination must also be taken into account. These tasks may specifically include processing employee records, security, and payroll (Fitz-enz, 1997), as well as costs related to stoppage of payroll, benefits, deductions, COBRA notification, general termination paperwork (Bliss, 1997). For eligible employees, termination costs will also include severance benefits and continuances (Bliss; Pinkovitz et al., 1997). The employer also faces changes in unemployment costs (Pinkovitz, et al., 1997). These unemployment costs include the impact of turnover on unemployment premiums and any time or effort devoted to required unemployment hearings (Bliss, 1997).

Hiring costs are another factor contributing to turnover costs. In order to recruit for vacant positions, employers may invest in advertising, agency fees, employee referrals, /or recruiter(s) pay and benefits. Whenever applicable, hiring costs may also include travel for applicants /or staff and relocation costs (Pinkovitz et al., 1997; Fitz-enz, 1998; Brown, 2000). To calculate hiring costs, the human resources time spent on screening resumes, reviewing candidates, and performing background checks must also be included (Bliss). Hiring costs also encompass the time spent interviewing applicants and the expense for pre-employment tests (Bliss; Pinkovitz et al., 1997). The cost of applicant screenings, such as drug tests, criminal background checks, educational checks, reference checks, contribute to hiring costs (Bliss). Finally, hiring costs also encompass post-employment administrative tasks such as establishing payroll, security and computer passwords, creating business cards, email connections, and conducting dissemination activities (Bliss; Pinkovitz et al., 1997)

Vacancy costs also factor into the cost of employee turnover. These costs include wages for substitute employees as well as overtime for current employees covering the vacant position (Bliss; Fitz-enz, 1997; Pinkovitz et al., 1997). In addition, the cost of the supervisor's time to oversee that all work is completed during the vacancy must also be included in calculations of vacancy costs (Bliss).

Costs related to learning curve loss also must be included in calculations of employee turnover costs. Learning curve loss costs are the expenses associated with the time it takes for a new employee to reach full productivity (Fitz-enz, 1997; Pinkovitz et al., 1997). According to Bliss, it takes the average employee approximately five months to reach full productivity. This is most likely a conservative estimate for beginning teachers but may be appropriate for experienced teachers moving into new positions.

The final category for employee turnover costs according to this model is training cost. Training costs encompass the cost of the trainer and training materials, including the cost of invested training in the leaver. Orientation activities should also be included in the cost of training (Bliss). In addition, informal training costs must be calculated. These costs include the time veteran employees spend training and assisting the new employee as well as the time the supervisor spends assigning, explaining, and reviewing, and reviewing the work of the new employee (Bliss; Pinkovitz et al., 1997)

HIGH PERFORMANCE WORK PRACTICES AND TURNOVER

There have been a number of studies into the impact of high performance work practices on a number of organisational outcomes. In a large-scale survey of 885 US firms, Huselid (1995) concluded that the use of such practices had a statistically significant impact on turnover concluding that high performance work practices lead to lower turnover. However, a later study of New Zealand firms came to a slightly different conclusion. Guthrie (2001) suggested that the use of high performance work practices may have implications for the effect of turnover on productivity. His explanation is that the use of such practices increases the value and importance of human capital (i.e. employees become more valuable to the organisation) and hence the cost of employee departures. A Canadian study (Statistics Canada, 2003) found that the use of such practices appeared to be related to lower quit rates in high-skill service industries. However, while there was some evidence of this link in lower skill services, it was not as great as for high-skill services. The study also found very little evidence that such practices reduce quit rates in manufacturing. However, one particular practice – self-directed work groups – appeared to be associated with lower quit rates in manufacturing

OBJECTIVE OF THE STUDY

The objective of this study is to explore the cost of employee turnover based on the performance level of employees of five star hotels in Bangalore.

HYPOTHESIS

H_1= There is no significant relationship between the High Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore
H_2= There is no significant relationship between the Medium Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore
H_3= There is no significant relationship between the Low Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore
H_4= There is no significant relationship between the Performance Level of employees and Number of Employee left Five Star Hotels in Bangalore
H_5= There is no significant relationship between the Performance Level of employees and Cost per Employee Turnover of Five Star Hotels in Bangalore

METHODOLOGY

Eleven Five Star hotels of Bangalore city were approached for the purpose of the study, of which nine hotels co-operated and shared their information. A questionnaire was administered to the HR department of these hotels for the purpose of collecting primary information about the number employees left from Food and Beverage Production, Food and Beverage Service, Housekeeping, Front Office and Other depts., during May 2010 –June 2011. Data were collected about the number of employees who were high performers, medium performers, and low performers as per the HR records. The questionnaire also contained questions relating to the separation processing cost, replacement hiring cost, training new hire cost and loss of productivity/ loss of business cost, etc. Using Casio Model of Employee Turnover with some modifications cost of an employee turnover is assessed from each hotel. Also from the discussions had with the HR managers of various hotels, a conclusion drawn to give weightage for the Low Performing , Medium Performing and High Performing employees. As such a Low performing employee weighted as 1, Medium performing employees weighted as 2 and High performing employee weighted as 4

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DATA ANALYSIS AND INTERPRETATION

In the first part of the data analysis the employees left from various departments were analysed using the percentage method. The Bar-diagrams were used to depict the profile of these employees based on their performance as to High Performers, Medium Performers and Low Performers. Cronbach's alpha test is conducted to find the internal reliability of the data. The formulated hypotheses were tested using ANOVA.

TABLE-1: SHOWING THE PERCENTAGE OF EMPLOYEES LEFT FROM VARIOUS DEPARTMENTS BASED ON THEIR PERFORMANCE DURING MAY 2010- JUNE 2011

Dept/Performance	High Performers (%)	Medium Performers (%)	Low Performers (%)
F&B Production	19.01	18.38	25.99
F&B Service	28.87	26.74	30.20
Housekeeping	14.79	13.65	16.83
Front Office	17.84	19.50	9.65
Others	19.48	21.73	17.33

BAR DIAGRAM SHOWING THE EMPLOYEE TURNOVER PERCENTAGE OF VARIOUS DEPARTMENTS BASED ON THEIR PERFORMANCE DURING MAY 2010- JUNE 2011
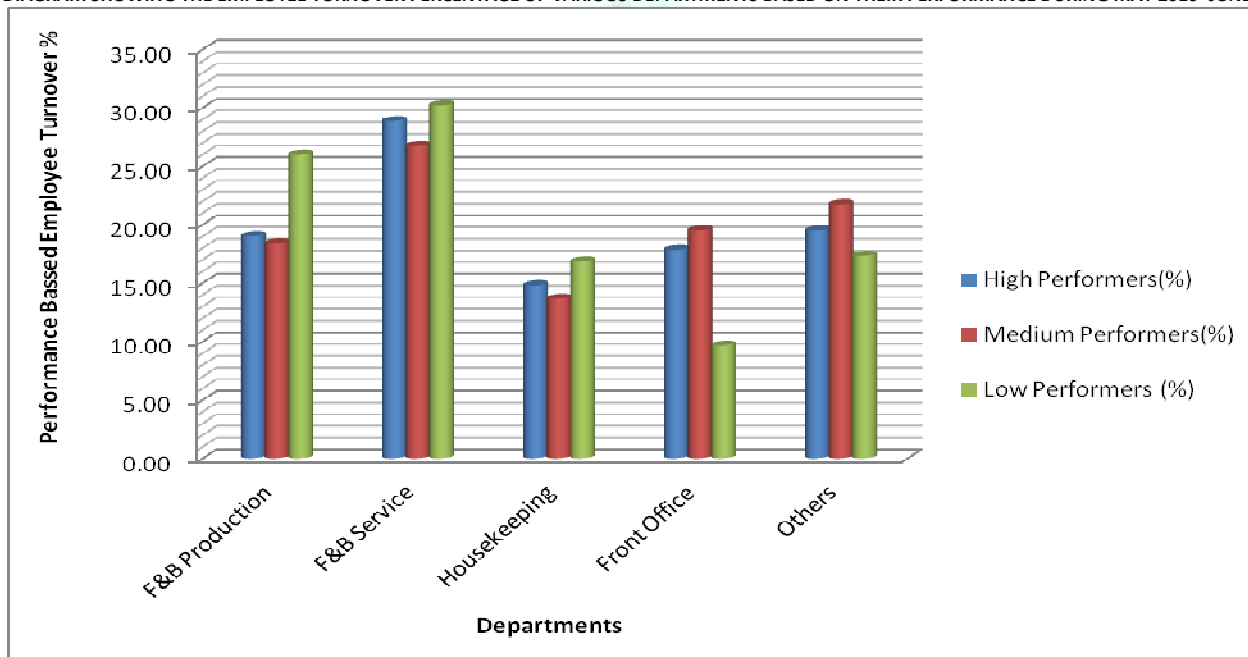
The Table -1 and the Bar diagram reveals that majority of high performers who left the hotels during May 2010-June 2011 are from Food and Beverage Service Department (28.87%). Similarly medium performing employees who left the hotels are also highest from the Food and Beverage Service Department (26.74%). Low performing employees who left the hotels are also more in case of Food and Beverage Department (30.20%). From the table we can also see that high performers who left the Housekeeping department of the hotels (14.79%) are the least. So also the medium performers left the housekeeping department (13.65%) are the lowest as compared to other core departments. Among the low performing employees who left the hotels the Front Office department shows the least (9.65%).

A reliability test is conducted (using SPSS) to check the internal reliability of the data. The test reveals that there is very high correlation as far as the high performers who are leaving the various departments (alpha= .9432). As far as the Medium performers who are leaving the various departments show a high correlation (alpha= .7715). In the case of low performers who are leaving various departments are concerned it shows that there is very high correlation (alpha= .9217)

EMPLOYEE TURNOVER COST ANALYSIS

The following section discusses the employee turnover cost of the nine hotels surveyed based on the employee performance. Data collected from the hotels have been tabulated as to separation processing cost, replacement hiring cost, training new hire cost and loss of productivity/ loss of business cost, etc. Number of employees left based on their performance level have been collected and tabulated to find the average employee turnover cost of each hotel. An average cost analysis on various elements of turnover cost of employees and analysis of cost per employee turnover of hotels in Bangalore is undertaken.

TABLE-2: SHOWING THE CATEGORY-WISE EMPLOYEE TURNOVER COST OF HIGH PERFORMING EMPLOYEES OF FIVE STAR HOTELS IN BANGALORE DURING MAY 2010- JUNE 2011

Hotels/Cost	SEPARATION PROCESSING COST (Rs.)	REPLACEMENT HIRING COST (Rs.)	TRAINING NEW HIRE COST (Rs.)	LOST PRODUCTIVITY/ LOST BUSINESS COST (Rs.)	TOTAL (Rs.)
HOTEL-A	220272	4565496	2056704	78624	6921096
HOTEL - B	506448	2831760	1203840	0	4542048
HOTEL-C	270100	3881004	1184000	248640	5583744
HOTEL - D	81200	1061200	817600	0	1960000
HOTEL-E	188240	2048384	1413360	93600	3743584
HOTEL - F	730800	16934400	12553632	0	30218832
HOTEL-G	83300	296184	425376	0	804860
HOTEL-H	115200	2023200	1584000	0	3722400
HOTEL-1	139200	2238800	6797600	0	9175600
AVERAGE COST	259417.78	3986714.22	3115123.56	46762.67	7408018.22
AVERAGE COST %	3.50	53.82	42.05	.63	

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Bar Diagram showing Category-wise Average Cost % of High Performing Employee Turnover of Five Star Hotels in Bangalore during May 2010- June 2011
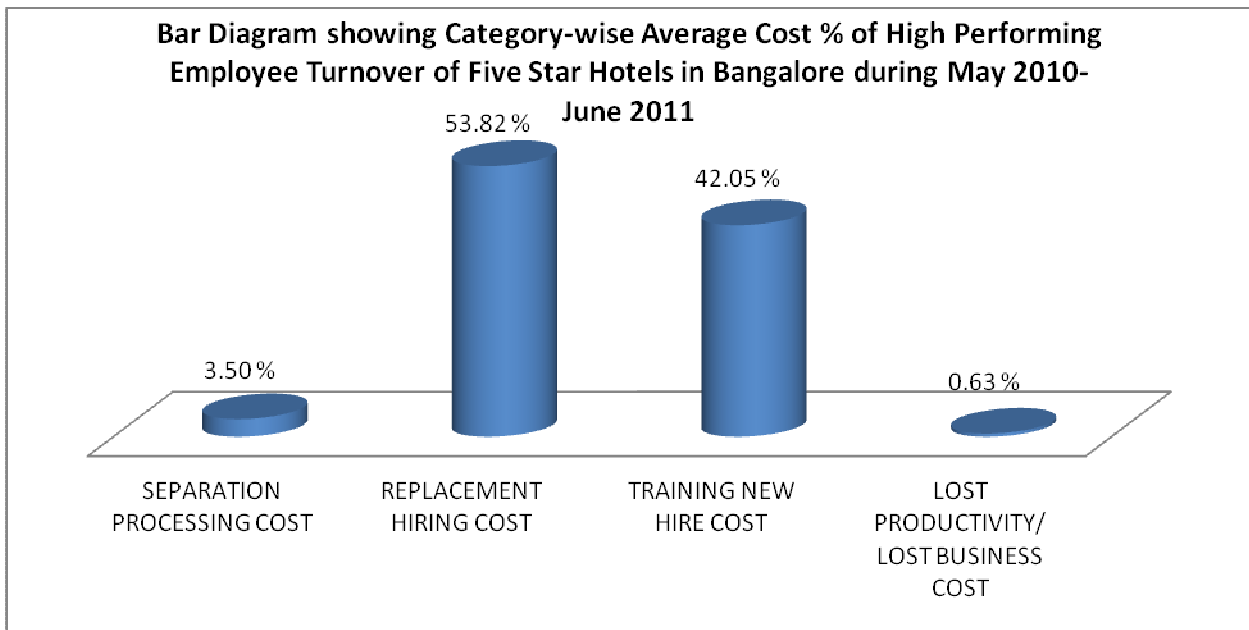
Table-2 illustrates the various elements of employee turnover cost of high performing employees of various hotels surveyed. It reveals that the replacement hiring cost (average replacement hiring cost Rs. **3986714.22)** of high performing employees is the major element of employee turnover cost. From diagram we can make out that this amount constitutes around 54% of the total employee turnover cost. The second highest element of employee turnover cost of high performing employees is the training new hire cost (Average training new hire cost Rs. **3115123.56**) which constitutes to 42% of the total employee turnover cost. The average cost of employee turnover of high performing employees of the hotels surveyed is Rs. 7408018.22.

TEST OF HYPOTHESIS

H$_1$= There is no significant relationship between the High Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore
At 5% significance tabulated *F* value for 3 and 32 degrees of freedom is 2.90112. Thus, calculated value of *F* (3.459793) is greater than the critical value of *F* (2.90112). So we reject the null hypothesis and conclude that there is significant relationship between the High Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore.

Anova: Single Factor						
SUMMARY						
Groups	*Count*	*Sum*	*Average*	*Variance*		
Column 1	9	2334760	259417.8	48496004680.4444		
Column 2	9	35880428	3986714	25271126539740.4		
Column 3	9	28036112	3115124	16112783041777.8		
Column 4	9	420864	46762.67	7135477504		
ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	107529173021455	3	35843057673818.5	3.459793	0.027674	2.90112
Within Groups	331516328509621	32	10359885265925.7			
Total	439045501531077	35				

TABLE-3: SHOWING THE CATEGORY-WISE EMPLOYEE TURNOVER COST OF MEDIUM PERFORMING EMPLOYEES OF FIVE STAR HOTELS IN BANGALORE DURING MAY 2010- JUNE 2011

Hotels/Cost	SEPARATION PROCESSING COST (Rs.)	REPLACEMENT HIRING COST (Rs.)	TRAINING NEW HIRE COST (Rs.)	LOST PRODUCTIVITY/ LOST BUSINESS COST (Rs.)	TOTAL (Rs.)
HOTEL-A	74836	1551098	698752	26712	**2351398**
HOTEL - B	211020	1179900	501600	0	**1892520**
HOTEL-C	120450	1730718	528000	110880	**2490048**
HOTEL - D	60900	795900	613200	0	**1470000**
HOTEL-E	48870	531792	366930	24300	**971892**
HOTEL - F	237800	5510400	4084912	0	**9833112**
HOTEL-G	47600	169248	243072	0	**459920**
HOTEL-H	220800	3877800	3036000	0	**7134600**
HOTEL-1	43200	694800	2109600	0	**2847600**
AVERAGE COST	**118386.22**	**1782406.22**	**1353562.89**	**17988.00**	**3272343.33**
AVERAGE COST %	3.62	54.47	41.36	0.55	

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Bar Diagram showing Category-wise Average Cost % of Medium Performing Employee Turnover of Five Star Hotels in Bangalore during May 2010- June 2011
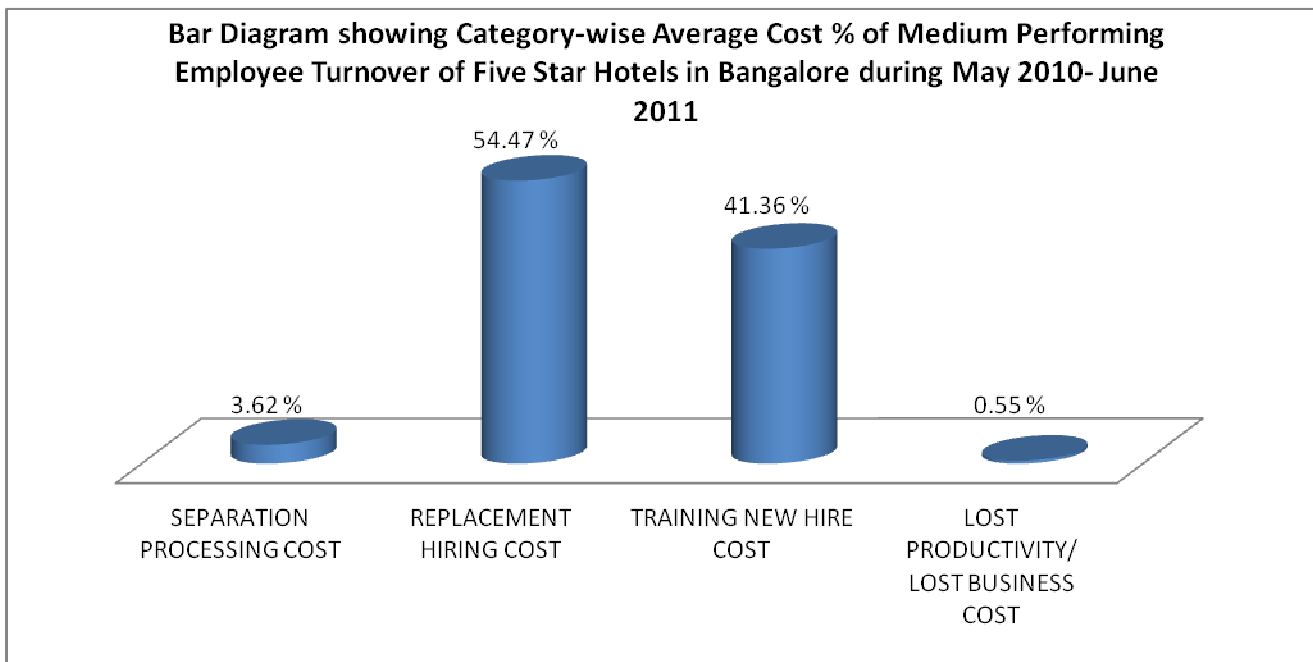
Table-3 shows the various elements of employee turnover cost of medium performing employees of various hotels surveyed. Here we can see that the replacement hiring cost (average replacement hiring cost Rs. **1782406.22)** of medium performing employees is the largest element of employee turnover cost. The bar diagram shows that this amount is around 55% of the total employee turnover cost. The second highest element of employee turnover cost of medium performing employee is the training new hire cost (Average training new hire cost Rs. **1353562.89**) which constitutes to 41.36% of the total employee turnover cost. The average cost of employee turnover of medium performing employee of the hotel surveyed is Rs. **3272343.33**

TEST OF HYPOTHESIS

H_2= There is no significant relationship between the Medium Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore

Anova: Single Factor						
SUMMARY						
Groups	*Count*	*Sum*	*Average*	*Variance*		
Column 1	9	1065476	118386.2222	6753869773		
Column 2	9	16041656	1782406.222	3128774851093.44		
Column 3	9	12182066	1353562.889	1931674817467.11		
Column 4	9	161892	17988	1335785256		
ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	21117470203323	3	7039156734441	5.555175789	0.003479	2.90112
Within Groups	40548314588720	32	1267134830897.5			
Total	61665784792043	35				

At 5% significance tabulated *F* value for 3 and 32 degrees of freedom is 2.90112. Thus, calculated value of *F* (5.555175789) is greater than the critical value of *F* (2.90112). So we reject the null hypothesis and conclude that there is significant relationship between the Medium Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore

TABLE-4: SHOWING THE CATEGORY-WISE EMPLOYEE TURNOVER COST OF LOW PERFORMING EMPLOYEES OF FIVE STAR HOTELS IN BANGALORE DURING MAY 2010- JUNE 2011

Hotels/Cost	SEPARATION PROCESSING COST (Rs.)	REPLACEMENT HIRING COST (Rs.)	TRAINING NEW HIRE COST (Rs.)	LOST PRODUCTIVITY/ LOST BUSINESS COST (Rs.)	TOTAL (Rs.)
HOTEL-A	26122	541421	243904	9324	**820771**
HOTEL - B	10551	58995	25080	0	**94626**
HOTEL-C	31025	445791	136000	28560	**641376**
HOTEL - D	108750	1421250	1095000	0	**2625000**
HOTEL-E	50680	551488	380520	25200	**1007888**
HOTEL - F	37700	873600	647608	0	**1558908**
HOTEL-G	47600	169248	96000	0	**312848**
HOTEL-H	54400	955400	748000	0	**1757800**
HOTEL-1	84000	1351000	4102000	0	**5537000**
AVERAGE COST	**50092.00**	**707577.00**	**830456.89**	**7009.33**	**1595135.22**
AVERAGE COST %	3.14	44.36	52.06	0.44	

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Bar Diagram showing Category-wise Average Cost % of Low Performing Employee Turnover of Five Star Hotels in Bangalore during May 2010- June 2011
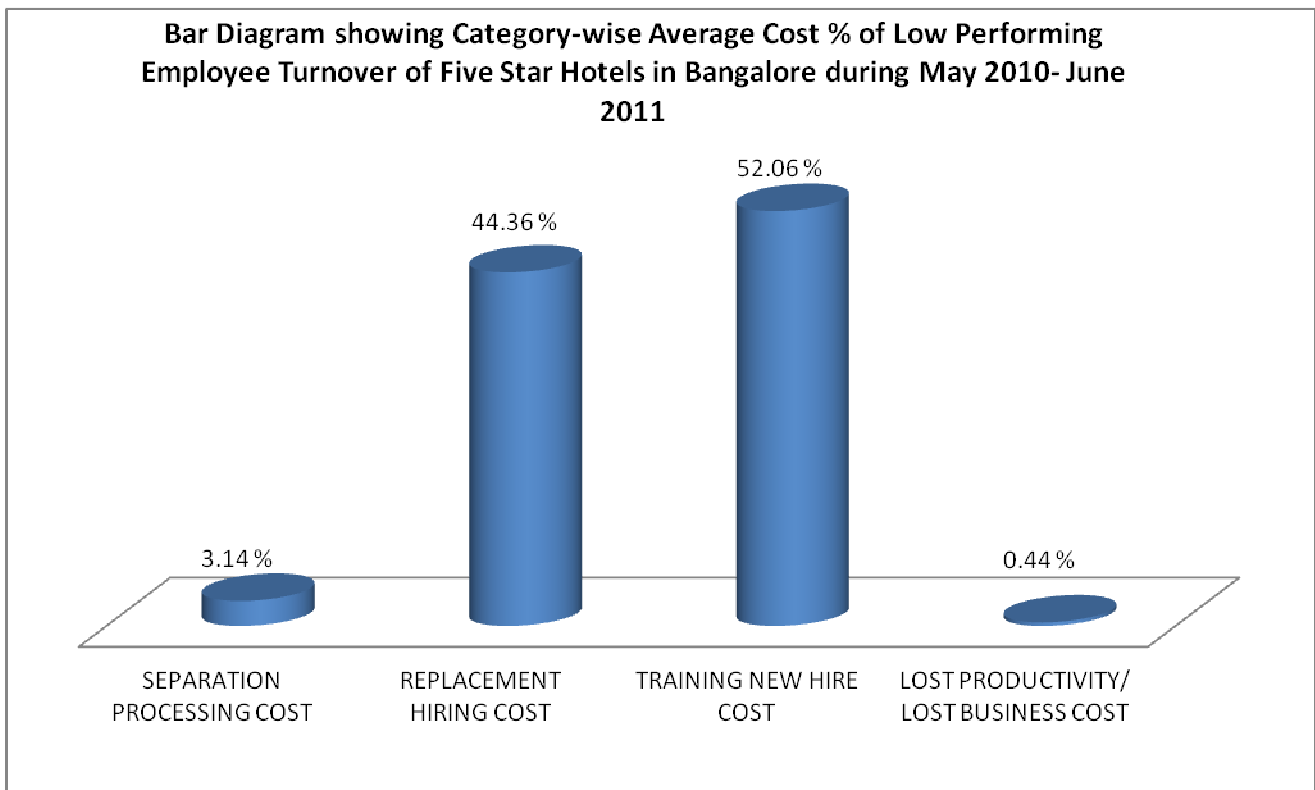
Table-4 narrates the various elements of employee turnover cost of low performing employees of various hotels surveyed. Here we can interpret that the training new hire cost (average training new hire cost Rs. **830456.89)** of low performing employee is the largest element of employee turnover cost. The bar diagram reveals that this amount is around 52% of the total employee turnover cost. The second highest element of employee turnover cost of low performing employee is the replacement hiring cost (average replacement hiring cost Rs. **707577.00**) which constitutes to 44.36% of the total employee turnover cost. The average cost of employee turnover of low performing employee is Rs. **1595135.22** among the hotels surveyed.

TEST OF HYPOTHESIS

H₃= There is no significant relationship between the Low Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore

Anova: Single Factor						
SUMMARY						
Groups	*Count*	*Sum*	*Average*	*Variance*		
Column 1	9	450828	50092	908848979.3		
Column 2	9	6368193	707577	230407801091.75		
Column 3	9	7474112	830456.8889	1628753370119.11		
Column 4	9	63084	7009.333333	136934224		
ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	5010912901406.75	3	1670304300468.92	3.591652631	0.024124	2.90112
Within Groups	14881655635312.9	32	465051738603.528			
Total	19892568536719.6	35				

At 5% significance tabulated *F* value for 3 and 32 degrees of freedom is 2.90112. Thus, calculated value of *F* (3.591652631) is greater than the critical value of *F* (2.90112). So we reject the null hypothesis and conclude that there is significant relationship between the low Performance of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore.

TABLE-5: HOTEL-WISE EMPLOYEE TURNOVER BASED ON EMPLOYEE PERFORMANCE OF FIVE STAR HOTELS IN BANGALORE

Hotels/ Employees	Number of High Performing Employee	Number of Medium Performing Employee	Number of Low Performing Employee
HOTEL-A	78	53	37
HOTEL-B	36	30	3
HOTEL-C	37	33	17
HOTEL-D	14	21	75
HOTEL-E	52	27	56
HOTEL-F	126	82	26
HOTEL-G	7	8	16
HOTEL-H	18	69	34
HOTEL-1	58	36	140

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BAR DIAGRAM SHOWING HOTEL-WISE EMPLOYEE TURNOVER BASED ON EMPLOYEE PERFORMANCE OF FIVE STAR HOTELS IN BANGALORE MAY 2010- JUNE 2011
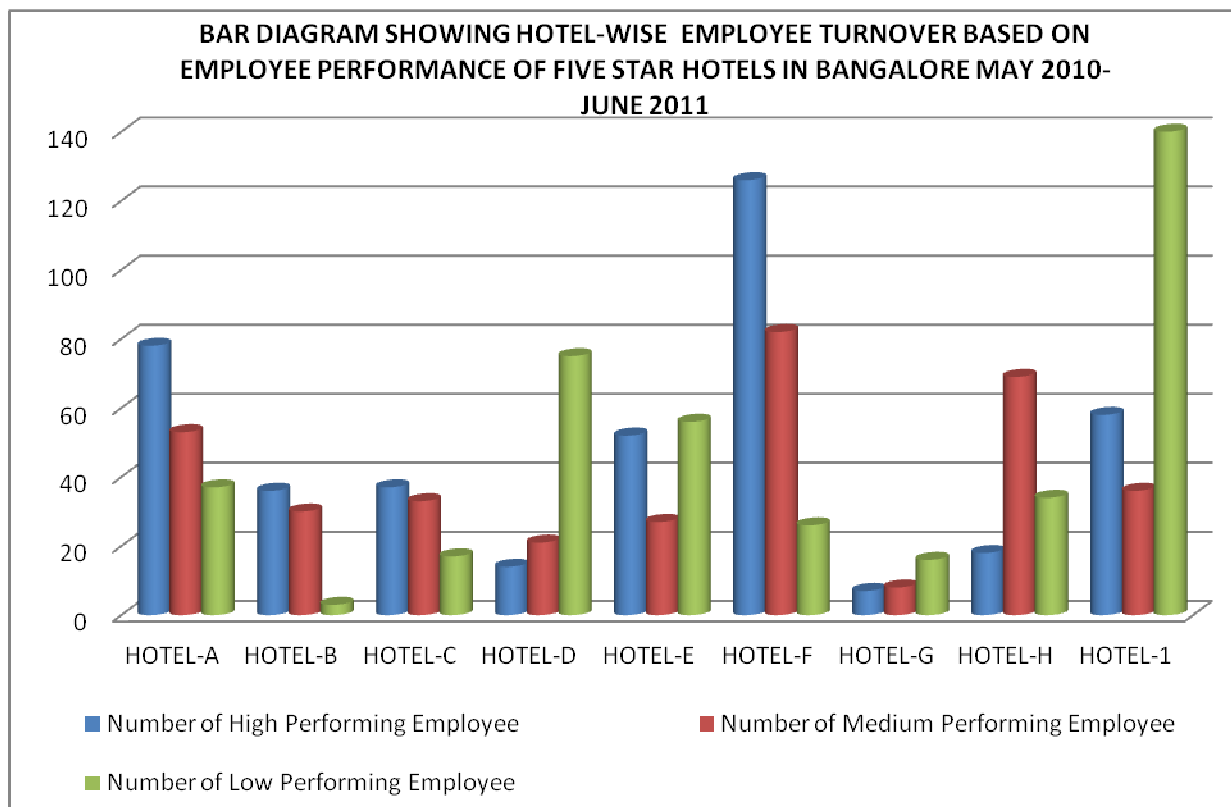
Table- 5 shows the number of employees left from the various hotels based on the performance level during May-2010 – June 2011. Hotel- F recorded the maximum number of high performing employees left (126) followed by Hotel- A which recorded that 78 high performing employees left among the hotels surveyed. As far as the medium performing employees who left the hotels concerned again Hotel-F recorded the highest (82) followed by Hotel-H where it shows 69. In the case of low performing employees left the hotels Hotel-I recorded the maximum (140) followed by Hotel- D which recorded 75.

TEST OF HYPOTHESIS

H_4= There is no significant relationship between the Performance Level of employees and Number of Employees left Five Star Hotels in Bangalore

Anova: Single Factor						
SUMMARY						
Groups	*Count*	*Sum*	*Average*	*Variance*		
Column 1	9	426	47.33333	1387.25		
Column 2	9	359	39.88889	561.6111		
Column 3	9	404	44.88889	1747.611		
ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	259.1852	2	129.5926	0.105175	0.900579	3.402826
Within Groups	29571.78	24	1232.157			
Total	29830.96	26				

The ANOVA test result indicates that the calculated value of F (for df 2 and 24) 0.105175 is less than the critical value of F 3.402826. Also note that the p value 0.900579 is greater than the significance level of 0.05, hence we accept the null hypothesis and conclude that there is no significant relationship between the performance level of employees and number of employees left Five Star Hotels in Bangalore

TABLE-6: HOTEL-WISE EMPLOYEE PERFORMANCE LEVEL AND TURNOVER COST PER EMPLOYEE OF FIVE STAR HOTELS IN BANGALORE

Hotels/Cost	Employee Turnover Cost Per High Performing Employee (Rs.)	Employee Turnover Cost Per Medium Performing Employee (Rs.)	Employee Turnover Cost Per Low Performing Employee (Rs.)
HOTEL-A	88732	44366.00	22183.00
HOTEL - B	126168	63084.00	31542.00
HOTEL-C	150912	75456.00	37728.00
HOTEL - D	140000	70000.00	35000.00
HOTEL-E	71992	35996.00	17998.00
HOTEL - F	239832	119916.00	59958.00
HOTEL-G	114980	57490.00	19553.00
HOTEL-H	206800	103400.00	51700.00
HOTEL-1	158200	79100.00	39550.00

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BAR DIAGRAM SHOWING HOTEL-WISE EMPLOYEE PERFORMANCE LEVEL AND TURNOVER COST PER EMPLOYEE OF FIVE STAR HOTELS IN BANGALORE MAY 2010- JUNE 2011
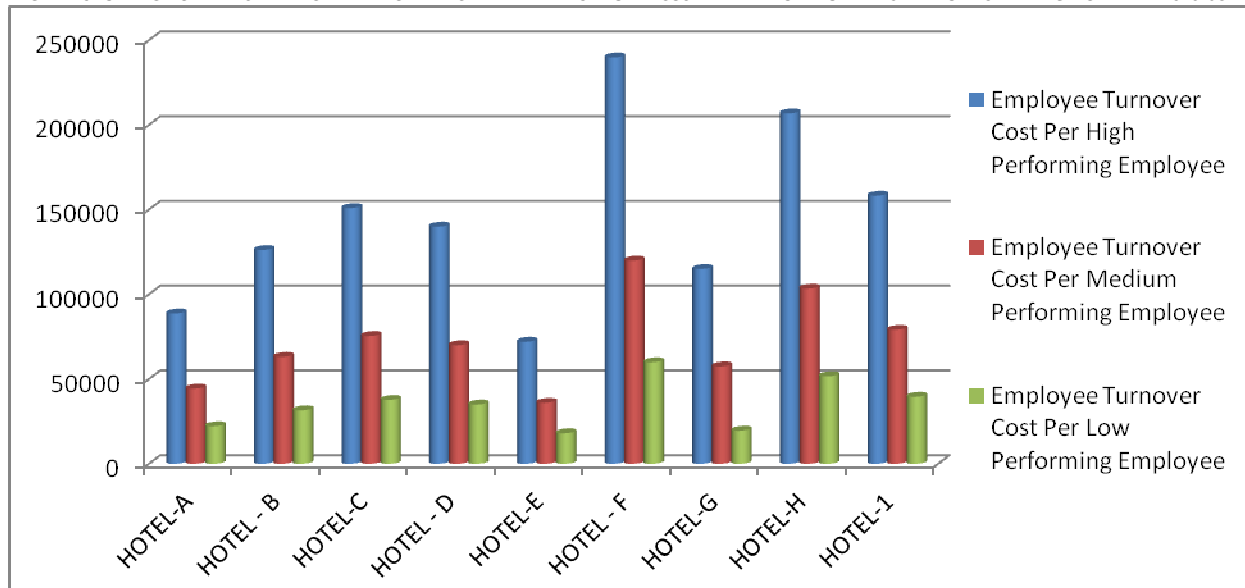
Table- 6 reveals that Hotel-F has highest cost per employee turnover (Rs. 239832) in case of high performing employees and Hotel- H has the second highest employees turnover cost per high performing employee (Rs. 206800). Hotel- E recorded the least cost per employee turnover (Rs. 71992) regarding the high performing employee category. Similarly, Hotel- F recorded the high cost per employee turnover in the case of medium performing employee (Rs. 119916) and Hotel-H recorded the second highest employee turnover cost per medium performing employee (Rs. 103400). Hotel- E recorded the least cost per employee turnover (Rs. 35996) regarding the medium performing employee category. In the case of low performing employees Hotel- F and Hotel-H recorded Rs. 59958 and Rs. 51700 respectively as the cost per employee turnover. Hotel –E recorded the least cost of per employee turnover (Rs. 17998) in the case of low performing employees.

TEST OF HYPOTHESIS

H_5= There is no significant relationship between the Performance Level of employees and Cost per Employee Turnover of Five Star Hotels in Bangalore.

Anova: Single Factor						
SUMMARY						
Groups	*Count*	*Sum*	*Average*	*Variance*		
Column 1	9	1297616	144179.5556	2849072790		
Column 2	9	648808	72089.77778	712268197		
Column 3	9	315212	35023.55556	204230290		
ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	55457619678	2	27728809839	22.0913172	3.62E-06	3.402826
Within Groups	30124570218	24	1255190426			
Total	85582189896	26				

The result of the ANOVA test indicates that calculated value of *F* for df 2 and 24(22.0913172) is greater than the critical value of *F* (3.402826), hence we reject the null hypothesis. Thus we conclude that there is significant relationship between the Performance Level of employees and Cost per Employee Turnover of Five Star Hotels in Bangalore

CONCLUSION

The purpose of this study is to explore the cost of employee turnover based on the performance level of employees of five star hotels in Bangalore. From the analysis of the data collected from the participating hotels in the survey it has been observed that Food and Beverage Service department recorded the maximum number of employee turnover irrespective of the performance levels. As far as the low performing employee turnover is concerned Food and Beverage Production department recorded the second highest. Housekeeping department has the least number of employee turnover whether high performing, or medium performing or low performing employees. The category-wise average turnover cost analysis of the various hotels reveals that in the case of both high performing employees and medium performing employees the replacement hiring cost is the highest. The analysis also shows that the second highest category-wise average cost of employee turnover incurred by hotels are on training new hire cost. It has been observed that the training new hire cost is the maximum category-wise average cost of employee turnover in the case of low performing employee in hotels followed by replacement hiring cost . The study also reveals that there is a significant relationship between the Performance level of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore. From the study it can be interpreted that there is no significant relationship between the performance level of employees and number of employees left Five Star Hotels in Bangalore. The study brings out the fact that there is significant relationship between the Performance Level of employees and Cost per Employee Turnover of Five Star Hotels in Bangalore

FURTHER RESEARCH

This study was limited to only Five Star Hotels in Bangalore which are functional before 2009-10. Future study can be made in relation to other star category hotels also. Also research can be extended to find department-wise cost of employee turnover in hotels. The current study has taken into account only the cost of employee turnover based on the performance level of employees in five star hotels in Bangalore. Further research on cost of employee turnover can be initiated into other aspects such as position level of employees, employees who left based on the critical nature of work etc.

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ORGANISED RURAL RETAILING IN INDIA THROUGH '*RPSO*' (*RURAL PROCUREMENT AND SUPPLY OUTLET*) MODEL

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ABSTRACT

Organized rural retailing plays vital role in development of rural India and economy. India is severely facing food inflation, floating near 20% in 2010. When it comes to groceries other than staples, local sourcing from the nearby wholesale market is adopted by every retailer. All such products suffer a mark-up of 25 - 30%, so as to absorb the cost structure. Thus, in many sub-categories, the price levels of organised retailers are much above unorganised retailers and more than the wholesale prices by as much as 25 – 30%. Though organised retailers have a small share in the overall food retailing, price set by some organised retailers are taken as benchmark by not only other organised food retailers but also unorganised retailers. Therefore, food prices are soaring. All essential items like vegetables, oil, milk, sugar are getting costlier. It is because of the India's agro products' marketing is characterized by: Fragmentation of the supply chain, Concentration of market power with the wholesalers, Existence of large number of intermediaries, little or no quality control, Absence of standards, Lack of product innovation, Small volume for transactions and Low inventories etc. The article focuses Rural Procurement and Supply Outlet (RPSO) model to overcome the above problems.

KEYWORDS

Rural Procurement and Supply Outlet (RPSO), Rural Procurement Entrepreneur (RPE), Rural Supply Entrepreneur (RSE), Rural Retail Outlet (RRO) Urban Retail Outlet (URO).

INTRODUCTION

The Indian retail industry is divided into organized and unorganized sectors. Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. The organized retail which accounts for only 5% of the total retail trade is poised to grow at an annual rate of around 11% and is likely to touch business levels of 53,000 billion by 2020. Agro-food retailing accounts for 18% of the organized retail today and is likely to have a lower share (12%) by 2020. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local *kirana* shops, owner manned general stores, *paan/beedi* shops, convenience stores, handcart and pavement vendors, etc.

India's retail sector is wearing new clothes and with a three-year compounded annual growth rate of 46.64%, retail is the fastest growing sector in the Indian economy. Traditional markets are making way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. Western-style malls have begun appearing in metros and second-rung cities alike, introducing the Indian consumer to an unparalleled shopping experience.

The Indian retail sector is highly fragmented with 97% of its business being run by the unorganized retailers like the traditional family run stores and corner stores. The organized retail however is at a very nascent stage though attempts are being made to increase its proportion to 9-10% by the year 2010 bringing in a huge opportunity for prospective new players. Over the past few years, the retail sales in India are hovering around 33-35% of GDP as compared to around 20% in the US. The last few years witnessed immense growth by this sector, the key drivers being changing consumer profile and demographics, increase in the number of international brands available in the Indian market, economic implications of the Government increasing urbanization, credit availability, improvement in the infrastructure, increasing investments in technology and real estate building a world class shopping environment for the consumers. In order to keep pace with the increasing demand, there has been a hectic activity in terms of entry of international labels, expansion plans, and focus on technology, operations and processes.

This has lead to more complex relationships involving suppliers, third party distributors and retailers, which can be dealt with the help of an efficient supply chain. A proper supply chain will help meet the competition head-on, manage stock availability; supplier relations, new value-added services, cost cutting and most importantly reduce the wastage levels in fresh produce like vegetables and fruits.

Large Indian players like Reliance, Ambanis, K Rahejas, Bharti AirTel, ITC and many others are making significant investments in this sector leading to emergence of big retailers who can bargain with suppliers to reap economies of scale. Hence, discounting is becoming an accepted practice. Proper infrastructure is a pre-requisite in retailing, which would help to modernize India and facilitate rapid economic growth. This would help in efficient delivery of goods and value-added services to the consumer making a higher contribution to the GDP.

International retailers see India as the last retailing frontier left as the China's retail sector is becoming saturated. However, the Indian Government restrictions on the FDI are creating ripples among the international players like Wal-Mart, Tesco and many other retail giants struggling to enter Indian markets. As of now the Government has allowed only 51% FDI in the sector to 'one-brand' shops like Nike, Reebok etc. However, other international players are taking alternative routes to enter the Indian retail market indirectly via strategic licensing agreement, franchisee agreement and cash and carry wholesale trading (since 100% FDI is allowed in wholesale trading).

EMPLOYMENT OPPORTUNITIES IN RETAIL SECTOR IN INDIA

India's retail industry is the second largest sector, after agriculture, which provides employment. According to Associated Chambers of Commerce and Industry of India (ASSOCHAM), the retail sector will create 50,000 jobs in a year in next few years. Retail companies are starting retail management courses in partnership with management institutes, roping in talent from other sectors and developing comprehensive career growth and loyalty plans for existing employees. Trend has also started in-house learning programmes and now goes to under graduate colleges to recruit students. Since, the job market is hugely receptive to this with more and more business schools focusing on the sector and large retailers setting up retail academics. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 10% of India's GDP. Modern retail industry has tremendous potential to generate

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direct and indirect employment. The NABARD study has forecast employment potential at 1.88 lakh persons directly in 2020, with huge indirect employment generation down the chain.

ORIGIN OF THE PROBLEM

India is severely facing food inflation. Food inflation is floating near 20% in 2010. Everyone is facing the burden of rising prices. When it comes to groceries other than staples, local sourcing from the nearby wholesale market is adopted by every retailer. All such products suffer a mark-up of 25 - 30%, so as to absorb the cost structure. Thus, in many sub-categories, the price levels of organized retailers are much above unorganized retailers and more than the wholesale prices by as much as 25 – 30%. Though organized retailers have a small share in the overall food retailing, price set by some organized retailers are taken as benchmark by not only other organized food retailers but also unorganized retailers. Therefore, food prices are soaring . . . all essential items like vegetables, oil, milk, sugar are getting costlier. It is because of the India's agro products' marketing is characterized by: Fragmentation of the supply chain, Concentration of market power with the wholesalers, Existence of large number of intermediaries, little or no quality control, Absence of standards, Lack of product innovation, Small volume for transactions and Low inventories etc.

A. **Fragmentation of supply chain:** There are no established national or regional level supply chain management systems to help the agro produce reach the customers without damage or delay. These are the causes for inefficiency of supply chain and proper marketing of fresh fruits, vegetables and agro based food products in India. In India, despite emergence of food retail chains, which are expected to overcome above issues, the penetration into rural market is very limited. The situation is more precarious in rural India, where food retail chains are of recent origin. The marketing arrangement in the form of rural retail chain is expected to reduce the market risks and transaction cost of farmers and help them in breaking away from the clutches of traditional brokers/ wholesalers/ commission agents. Direct supply by farmers will allow the rural retail chain to simultaneously increase control over production quality, supply reliability and price stability.

B. **Concentration of market power with the wholesalers:** Though the India is self sufficient in production of agro produces, it is unable to control food inflation. The strange truth behind this lacuna is that despite of strategic market interventions in the form of APMC etc., the market power for agro products is vested with a few traditional middlemen and wholesalers, commission agents etc.

C. **Little or no quality control:** Since the supply of agro commodities and fresh fruits and vegetables is in a fragmented manner with absolutely no inputs from the markets, the farmers produce these products with no defined quality specifications. Therefore fresh fruits and vegetables arrive at the market in its raw form with very little quality control or grading etc. This leads to lower price realization and also exploitation by the middle men.

D. **Absence of standards:** As the produce from the fields land in the market directly, there are no standards observed either during production, during harvesting or even during post harvesting. Fresh vegetables, including greens are hardly sorted, graded or properly packed. They all land in crude bamboo baskets using traditional intelligence like keeping smaller fruits or vegetables in the bottom and the bigger fruits or vegetables on the top. In short there are no standards either specified or followed. There is a strong need to have standards for fresh fruits and vegetables. In this project an effort is made to bring in the need for such standards, which are more local in its content and relevance.

E. **Lack of product innovation:** As the farmers are not in any way connected with the markets, currently, the farmers are in no knowledge of what the market needs or wants. Just if in case they get to know the needs or wants of customers, there is a possibility of innovations that can be brought into pre harvesting activities and post harvest activities.

F. **Small volume for transactions:** Due to the fragmenteed of farmers land the production is less. Hence they cannot carry their produce to the market because the transportation cost will be more and results in getting low return.

The above mentioned, stresses on the point that, the existing system unless focuses on the organized retailing including: Branding, Scientific pricing, Packaging, Pre and post- sales services, along with a strong network of Organized Rural Retail chain, it would be impossible for the producers and consumers to be self sustainable. Organized Rural Retailing will reduce the gap between formers' selling price and final consumers' buying price. The farmers are not getting good price for their produce due to menace of intermediaries who gains more profit. The Procurement and Supply Outlet (*RPSO*) will procure the produce directly from the farmers with remunerative price and value added with scientific, handling, storage, packaging and grading. The commodities are branded and sold to the consumers in the retail outlets which fetch higher price, in turn the farmers and retailers will be in win-win situation. A proper supply chain model needed to reduce the transportation cost and post harvest losses.

OBJECTIVES OF *RPSO* MODEL

So there is need for proper flow of produce to the consumers. *RPSO* Model will help the rural people who are facing marketing problems for their produce due to various reasons. We have come up with *RPSO* model as the solution for existing problems related to rural marketing and rural unemployment.
The model helps in various areas like:

1) Rural procurement and supply outlets (*RPSO*s) model transforms the rural unemployed into home-grown entrepreneurs, this generates employment opportunities for rural youths and minimise the menace by intermediaries. Farmers and consumers will get fair price.

2) Rural procurement and supply outlets (*RPSO*s) function like rural hubs for procurement of agro produces and supply directly to retailers in urban and rural areas.

3) Growth in local sourcing – Key to the success of organised retailers is local sourcing this will utilise resources effectively and provide employment opportunities for rural unemployed youths. It will reduce migration from rural to urban area also. So that slum eradication is also possible.

4) Price reduction and Inflation tempering – Organised retailer can bring down consumer prices and temper food inflation. Stronger consumer value preposition. From customer point of view it makes strong sense for opening up organised retailing, customers will get value for money. Direct procurement of agro-products by organised retailers from farmers will not only result in farmer realizing better share of consumer spending but also will reduced cost to the consumers.

5) Rural procurement and supply outlets (*RPSO*s) Model creates Value addition by scientific handling, storing, packaging and grading system of agriculture commodities for retail outlets. This will help to get better price for the retailers and farmers and consumers (win-win situation) and mainly helps reduce in post harvest losses and transportation cost for formers. The post harvest losses are more in agricultural commodities due to practice of traditional method of handling, storing and packaging. The farmers are getting low profit due to ignorance of grading; intermediaries are taking advantage of this. With proper grading and packaging the agro-products can be sold at higher price there by retailers may assure farmers better procurement price.

RURAL PROCUREMENT AND SUPPLY (*RPSO*) MODEL

The rural procurement and supply (*RPSO*) model (network) is similar to hub and spoke model which is a system of connections arranged like a chariot wheel, in which all Rural Procurement Entrepreneurs (*RPE*s) and Rural Supply Entrepreneurs (*RSE*s) (*spokes)* connected to the *RPSO* (*hub*) at the center. The advantages and limitations of hub and spoke model are also associated with *RPSO* model. *RPSO* is a typical Rural Retail Hub! "A centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution and marketing of locally/regionally produced agro-products." The target markets for *RPSO* includes Rural Retail Outlets (*RRO*s), Urban Retail Outlets (*URO*s), restaurants, Dabas and grocery stores — which tend to have a hard time buying local products in the desired volumes. *RPSO*s are providing a means for local producers to connect directly to retail consumers. *RPSO* is an independent organization headed by government or any private agency. *RPSO* centre can be established in rural area, where, five to six surrounding villages are well connected to the centre and average distance from *RPSO* centre is less than 5 kilo-meters and villagers can easily access to trade at *RPSO*. In this article, some of the ways *RPSO*s can increase their success, and thus continue to expand their role in promoting rural home-grown entrepreneurs, rural retailing and local foods.

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Rural Entrepreneurship Development & Providing Access to Local Food Markets: A primary role of a *RPSO* is to facilitate Rural Entrepreneurship Development, since there is huge growth potential in rural retailing and corporate retailers may not enter rural market easily in short span of time. Therefore, rural entrepreneurs should utilize this opportunity before big corporate retail chains capture it. It is possible only through organized efforts to establish and nurturing rural entrepreneurs by organizations like *RPSO*.   And the another primary role of a *RPSO* is providing market access for agro producers who address market outlets (*RRO* &*URO*) that would otherwise be less accessible or completely inaccessible due to scale or location of the food production with respect to the market outlet. The successful *RPSO* can provide consumers regular access to a larger number of local food providers than they could access individually. *RPSO*s usually provide greater delivery reliability than can be obtained through purchasing from many small producers acting independently.

FUNCTIONS OF *RPSO*s

*RPSO*s function by fulfilling a variety of tasks, including:
1. Rural Entrepreneurship Development;
2. Market access for local producers;
3. Information sharing on food production and marketing practices;
4. Product transportation and distribution;
5. Product bundling and aggregation, grading, sorting and cleaning;
6. Maintaining a consumer/producer connection;
7. Season extension for local product sales;
8. Producer-oriented technical assistance; and
9. Educating and Organizing farmers into clusters. Etc.

RPSO MODEL – PHASE I
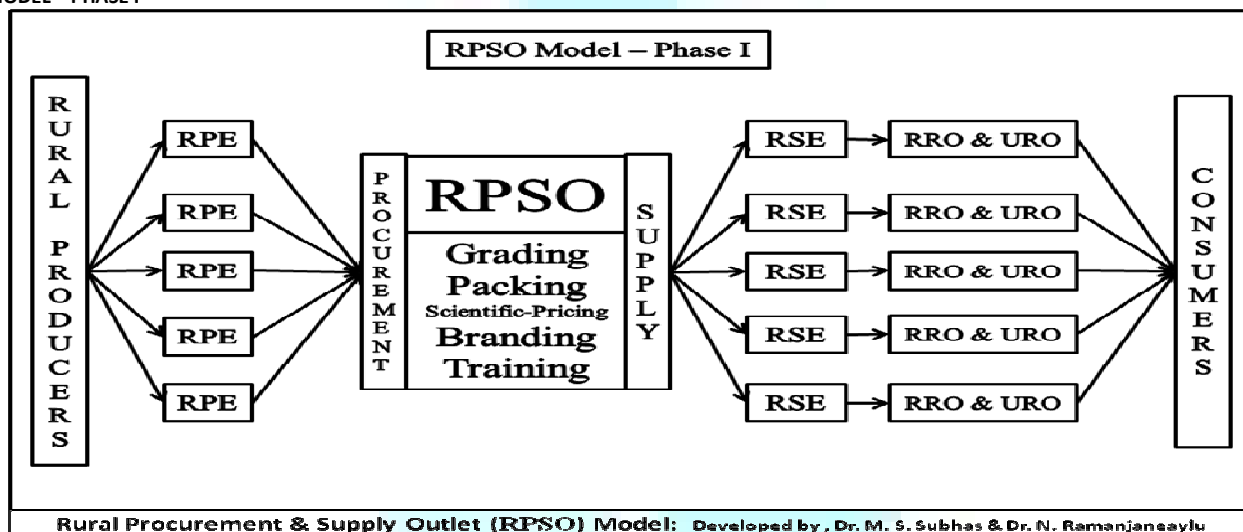
The above rural procurement and supply outlet model (*RPSO*) Phase -I is the simple model. *RPSO* is focusing not only procuring and supplying products but also acting as entrepreneur development centre. The *RPSO* can serve as an incubator for rural budding entrepreneurs to successfully procure and distribute local and regional agro products and strengthen regional food systems. *RPSO* initiates and nurtures entrepreneurship development in rural areas. *RPSO* identifies rural youths who have entrepreneurial qualities but lacking supportive guidance and develops them into either Rural Procurement Entrepreneurs (*RPE*) or Rural Supply entrepreneurs (*RSE*). In Phase – I, *RPSO* procure only rural products like food grains, fresh fruits and vegetables, and other agro-products through *RPE*s at one place and do perform some marketing activities like grading, packing, branding, pricing etc. and supply through *RSE*s to Rural Retail Outlets (*RRO*) and to Urban Retail Outlets (*URO*). It also focuses more on training both *RPE*s and *RSE*s towards marketing orientation. By the end of phase – I, *RPE*s and *RSE*s can become fully strengthen in terms of market knowledge.   *RPSO* provides an excellent opportunity for farmers and rancher cooperatives to pursue high-value, local food markets. As we aim to inclusive growth and revitalize rural communities, this is exactly the type of innovation we need to win the future. The benefits of *RPSO*s, specifically which will set-up in remote villages are not merely economic, but also increase access to fresh, healthful and local products for communities underserved by full-service food retail outlets. The problem of malnutrition can be overcome by the establishment of *RPSO*s in remote villages.

RPSO MODEL – PHASE II

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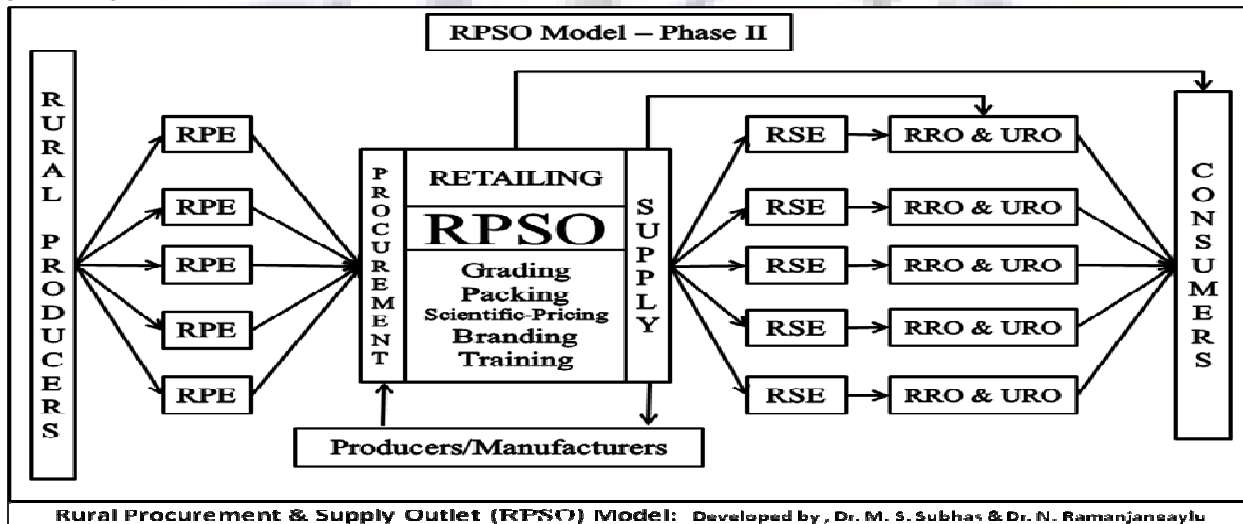
In the Phase-II, *RPSO* can itself do retailing which helps rural consumers to buy some products like agro inputs etc; otherwise rural consumers have to travel to nearby towns to buy them. *RPSO* procures those products either from local manufacturers or any other manufacturers and supply to rural consumers at reasonable price. *RPSO*'s retailing mainly focuses on rural consumers needs. And at the same time *RPSO* supply goods to local manufacturers like food processing units, if in case excess stock available, in harvest season, because in this phase the scale of business of *RPSO* has gone up and to overcome the problems like storage and inventory management, it is better to supply excess goods to local manufacturers like oil mills, pickle makers etc. *RPSO* can also supply products directly to nearby *RRO*s and *URO*s as it starts procuring directly from producers/manufacturers. In this phase RPSO focuses on retailing to help especially rural consumers, and also supports to RPEs and RSEs to come up with their own units.

RPSO MODEL – PHASE III

Rural Procurement & Supply Outlet (RPSO) Model: Developed by, Dr. M. S. Subhas & Dr. N. Ramanjaneaylu
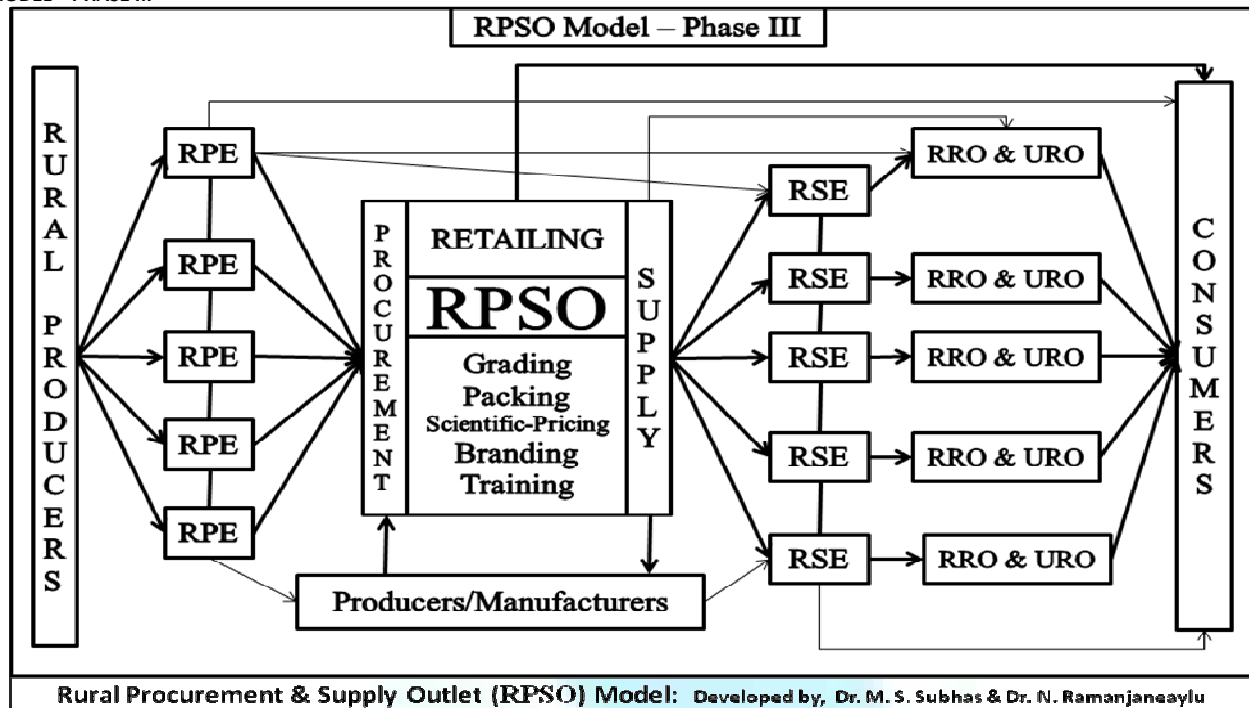
In the Phase – III, *RPE*s and *RSE*s are developed and grown up as independent entrepreneurs with the training of *RPSO* and with their experience. As they grown up *RPE* can go for forward integration and *RSE* can go for backward integration. In the process they will become another *RPSO*, acting independently. In this phase, developed *RPE* not necessarily supply to *RPSO* and *RSE* not necessarily depend on *RPSO* for supply. *RPE* can directly supply to producers/manufacturers, *RSE*s, *RRO*s & *URO*s and Consumers. Similarly *SRE* can directly buy from producers/manufacturers and supply directly to consumers. Amongst *RPE*s and *RSE*s there may be interdependency to balance supply and demand.

CHALLENGES BEFORE *RPSO*

Like all nascent businesses, there are many potential constraints to the development and growth of *RPSO*s. Some of these business limitations are recognized and addressed by the organizations assisting with the development of *RPSO*s. Others are more difficult to quantify. The primary constraints are often hard for a new organization to overcome. These may involve the lack of sufficient financial resources and a robust risk-management plan. Some constraints may take a longer time for a new entity to address, such as human resource development (as part of a staffing plan) and gaining access to local food processing facilities.

One typical constraint is a lack of skilled management, which is often accompanied by poor recordkeeping, accounting and financial management. This is especially true in producer-based organizations, where managers may have a great deal of knowledge about production agriculture, but have less knowledge of business management. *RPSO*s usually need to develop or hire skilled management. There may also be legal or regulatory constraints on *RPSO*s development. These constraints may be imposed by local, state or central law.

ROADMAP FOR *RPSO*s DEVELOPMENT

*RPSO*s develop and evolve from highly localized circumstances and are dependent on several factors. Some factors that contribute to the success of *RPSO*s include:

1. Having a strategic plan with clearly defined goals and a vision and mission statement to ensure that the *RPSO*'s original intents are maintained (for example: fair prices for farmers and consumers or sustainable agricultural production methods).

2. Getting all stakeholders engaged early in the process and defining their interests and areas of expertise. Make sure there is a management or oversight team that is inclusive of the membership. The concerns of farmers and other businesses and investors must be addressed. The team should include individuals with skills in financial management, the regulatory environment, marketing and packaging, inventory management and quality control and farmer/business owner engagement. As one study noted, make sure all parties are well matched in size and scale and that they operate with similar goals and values. This limits some risk that may arise in fulfilling contracts with vendors and buyers.

3. Understanding the location of different direct markets and how to access them. For instance, if the market outlet is geographically distant from the production unit, how will transportation occur and how can products be priced to cover those costs? Is backhauling feasible to generate revenue on an otherwise empty return load? Is the market one with a customer base that is less familiar with purchasing and preparing fresh foods, for example, some urban or at-risk populations?

4. Having an education program/strategy. An educational program may have to be an integral part of the *RPSO* development. This may include partnering with an outreach entity, such as a university extension service or a nonprofit agency. Such entities can deliver consumer information based on what the *RPSO* provides and when the product arrives to the consumer. If local farmers and ranchers have limited experience in direct marketing but are going to be supplying products through *RPSO*s, then they will need support and training in production planning, quality control, packaging and delivery. It may benefit the efficiency of the hub overall if other training and production improvement opportunities are offered, such as business planning or season extension techniques.

5. Learning and understanding end-user requirements. Many end users require producers or processors to have Good Agricultural Practices (GAP) or Hazard Analysis Critical Control Point (HACCP) programs in place in order to receive product. This may necessitate additional costs in producer/business-owner training, and the development of specific protocols and quality assurance to meet the end user's requirements. Another type of producer support that may be necessary is affordable product liability insurance for individual vendors or umbrella coverage for vendors that is purchased through the *RPSO*. This is critical for *RPSO*s

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accessing institutional markets, such as schools or hotels. The existence of such requirements for accessing a direct market may also cause some business owners to withdraw from the supply pool.

6. Acknowledging the level and types of infrastructure necessary to operate a *RPSO*. These may include technical infrastructure (such as billing protocols), Internet-management systems and payment processes. Physical infrastructure is also essential (such as product warehousing or processing capability) in order to ensure increased product quality and packaging control across suppliers.

7. Determining the correct business structure. The cooperative (or quasi-cooperative) business model is well suited to *RPSO*s. But when setting up the business, no one type of business structure is the best fit for all *RPSO*s. Rather, the business structure must help stakeholders meet their goals for financial, marketing and production planning and growth. It appears that flexibility is the key, and the management team should be able to identify the point at which a certain business structure constrains further investment and an alternative structure (such as incorporating one business function or outsourcing distribution) is the only way the hub can maintain its market share or expand into new markets.

8. Determining the threshold scale needed for the *RPSO*s to be able to operate in an economically efficient manner. Investment capital required for supply-chain infrastructure (for vehicles, storage facilities, retail locations, etc.) can be a significant barrier to starting local aggregation and distribution businesses. There are also businesses with technical expertise in processing, distribution or transportation with which a *RPSO*s could contract to more efficiently execute some of the more complex, or cost-prohibitive, functions of direct marketing through a *RPSO*. A key issue here is how comfortable the stakeholders are with alternative lenders or certain subcontractors. This sort of "comfort level" assessment is an important component in developing a strategic business plan for *RPSO*s.

9. Identifying all sources of technical and financial support, including those considered less conventional. There are emerging areas of public and private financial support for *RPSO*s, including micro-lenders, private investors, economic development entities and nonprofit community-based organizations.

10. Managing information efficiently. It is critical that timely and accurate information flow between producers and consumers — or between producers and wholesalers. The success of the *RPSO* depends on this, and it will help to minimize or avoid price or marketing risk, production risk and some legal risks. Information management, supported by dedicated staff and technology, impacts the *RPSO*'s ability to manage orders accurately, to monitor product quality and to convey product attributes to consumers and other vendors. Information management also enables the *RPSO* to remain in compliance with certain federal, state and local food safety regulations and to maintain transparent working relationships across multiple partners in a value chain.

CONCLUSION

*RPSO*s serve as a way for a group of varied producers to find a local market for their agricultural production. They provide the thread of connectivity that keeps consumers in contact with farmers and ranchers, even when that thread is electronic, as with virtual *RPSO*s. *RPSO*s' success or failure should not be measured solely as aggregating units, or in terms of total volume of product moved, but more in terms of the places to which the product goes and the people who benefit from it. With growing demand for local or regional food products, conventional marketing channels are ill-equipped to supply local food where and how people wish to purchase it. *RPSO*s help producers and consumers connect in a marketing manner that retains the valuable information as to where a food item was produced and how it was grown. Large grocery retail chains rarely have farmers themselves offering produce for sale in their stores, yet this is the essence of farmers markets and the direct marketing experience so many people desire. By bundling together the product from multiple farmers for distribution to other direct markets — such as restaurants, schools, hospitals, workplace cafeterias, and other end consumers — *RPSO*s make it possible to supply them with fresh, local products produced by local growers in the quantities and packaging the customers require.

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SIX SIGMA - ORIENTAL INDIAN MANAGEMENT CONCEPTS: MODERN JAPANESE INDUSTRIAL QUALITY CONTROL STANDARD – (AN INQUIRY THROUGH HISTORICAL & PHILOSOPHICAL PERSPECTIVE)

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ABSTRACT

The most prominent yard stick of the quality in the world of industry is "Six Sigma". The origin of this concept though very recent but credit goes to Japan as a contributor from its oriental practices, from "Martial Arts", and from Buddhism. The world follows Japanese techniques as the best practices of improving quality. In fact the reality is that, quality concepts and practice originated in India – evidences are Arthashastra, Nitishastra, Rajdanda etc. Japan learnt these concepts and techniques from India through Buddhism and Buddhist monks. Here it has been examined, the concept of "Six Sigma" which originates in India. This article goes in to the historical and the philosophical perspectives to provide an insight in to the origin of quality yard sticks in India in its oriental literature and it's the then contemporary practices. Indian scholars in the present time do have more interest in learning the management techniques from the foreign presentations rather going for a "Renaissance" of oriental Indian management systems, which are more sound and appropriate for the world.

KEYWORDS

Other Sigmas, Buddhism, Martial Arts, Nine Sigma, Chanakya, Samuri.

INTRODUCTION: SIX SIGMA - A CONCEPT & BEYOND

We are what we repeatedly do. Excellence, then, is not an act, but a habit." It was with this philosophy that Motorola originally developed a system of practices known as **"Six Sigma"** to minimize mistakes or defects and maximize value. Defects are defined as units that are not members of the intended population. Since it was originally developed, 6 σ has become an element of many **Total Quality Management** (TQM) initiatives.

ORIGIN

Six Sigma process was pioneered by Bill Smith at Motorola in 1986. It is evident that Bill Smith did not really "invent" Six Sigma in the 1980s; rather he applied methodologies that had been available since the 1920s developed by luminaries like Shewhart, Deming, Juran, Ishikawa, Ohno, Shingo, Taguchi and Shainin. All tools used in Six Sigma programmes are actually a subset of the Quality Engineering discipline and can be considered a part of the certified Quality Engineer body of knowledge. The goal of six sigma, then, is to use the old tools in concert, for a greater effect than a sum of parts approach.

CONCEPT

The concept 6 σ (Six Sigma) has many interpretations:

- **6 σ is a problem** – solving methodology. In fact, it's the most effective problem – solving methodology available for improving business and organizational performance.
- **6 σ performances** is the statistical term for a process that produces fewer than 3.4 defects (or errors) per million opportunities for defects.
- **A 6 σ improvement** is when the key outcomes of a business or work process are improved dramatically, often by 70% or more.
- **A 6 σ deployment** is the prescriptive rollout of the 6 methodology across an organization, with assigned practices, roles, and procedures according to generally accepted standards.
- **A 6 σ organization** uses 6 methods and tools to improve performance. Continuously lower costs, increase revenue, improve customer satisfaction, increase capacity and capability, reduce complexity, lower cycle time, and minimize defects and errors.

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WHY SIX AND WHY SIGMA?

The σ scale is a universal measure of how well a critical characteristic performs compared to its requirements. The higher the Sigma, the more capable the characteristics. For example, if a critical characteristic is defective 31% of the time, one can say that this characteristic operates at 2 Sigma. But if it runs at 93.3% compliance, one can say that it operates at 3 Sigma. Table below shows the Sigma scale.

A.   The Sigma Scale

Sigma	Percent Defective	Defects Per Million
1	69%	691,462
2	31%	308,538
3	6.7%	66,807
4	0.62%	6,210
5	0.023%	233
6	0.00034%	3.4
7	0.0000019%	0.019

If a characteristic operates at three Sigma, it means that, 6.7% of the time, the variation in its performance exceeds acceptable levels. Whatever the critical characteristic may be, if it is 3σ, it is defective 6.7% of the time, or 66,700 times out of a million.

So, why six and why not five Sigma? Because for the complex products on which this method was originated, there were enough characteristics rolled together and enough long term degradation that only six would do. Four or five sigma just didn't provide enough relief from these two constraints.

For transactional and service companies now adopting 6 σ, their systems and environments are often less complex – they don't have as many critical characteristics coming together. So, they don't necessarily need to have each critical characteristic operating at 6 σ. In these cases, four or five may actually do.

But, the magnitude of the earlier success of 6 σ has made the name stick. And almost all companies, regardless of their size or complexity, recognize the benefits of aiming for a 6 σ goal. Even if the milestone of 6 σ is never reached, the act of working towards that goal drives breakthrough changes.

There are cases, where great companies are able to produce 6 σ qualities in their final products, services, and transactions especially when safety of human life is involved. For example, when we board an aero plane, we are about 2,000 times more likely to reach our destination than our luggage. There have been instances when the luggages were found missing. Also, no airline company can be reliable enough for their arrival and departure timings that's because, airline safety operates at a level higher than 6 σ, while baggage and time reliability operates at about four Sigma.

Let's have a comparative view of nearly good and very good through numerous examples in a tabular format.

HOW GOOD IS GOOD?

	99% Good (3.8 Sigma)		99.99966% Good (6 σ)
1.	20,000 lost articles of mail per hour	1.	7 articles of lost mail per hour.
2.	Unsafe drinking water for almost 15 minutes per day.	2.	One unsafe minute of drinking water every 7 months.
3.	5,000 incorrect surgical operations per week.	3.	1.7 incorrect surgical operations per week.
4.	2 short or long landings at airports every day.	4.	I short or long landing at major airports every five years.
5.	20,000 incorrect drug prescriptions each year.	5.	68 incorrect drug prescription each year.
6.	No electricity for almost 7 hours each month.	6.	One hour without electricity every 34 years.
7.	11.8 million Shares incorrectly traded on the NYSE every day.	7.	4,021 shares incorrectly traded on the NYSE every day.
8.	3 warranty claims for every new automobile.	8.	I warranty claim for every 980 new automobiles.
9.	48,000 to 96,000 deaths attributed to hospital errors each year.	9.	17 to 34 deaths attributed to hospital errors each year.

METHODOLOGY

Six Sigma has two key methodologies. They are DMAIC and DMADV. DMAIC is used to improve an existing business process. DMADV is used to create new product designs or process designs in such a way that it results in a more predictable, mature defect free performance.

(i)   DMAIC

Basic   Methodology consists of the following five steps.

- **Define** the process improvement goals that are consistent with customer demands and enterprise strategy.
- **Measure** the current process and collect relevant data for future comparison.
- **Analysis** to verify relationship and causality of factors. Determine what the relationship is, and attempt to ensure that all factors have been considered.
- **Improve** or optimize the process based upon the analysis using techniques like Design of Experiments.
- **Control** to ensure that any variances are corrected before they result in defects. Set up pilot runs to establish **process capability**, transition to production and there after continuously measure the process and institute control mechanism.

(i)   DMADV

Basic methodology consists of the following five steps:

- **Define** the goals of the design activity that are consistent with customer demands and enterprise strategy.
- **Measure** and identify CTQs (Critical to Qualities), product capabilities, production process capability, and risk assessments.
- **Analysis** to develop and design alternatives, create high – level design and evaluate design capability to select the best design.
- **Design** details, optimize the design, and plan for design verification. This phase may require simulations.

Verify the design, set up pilot runs, implement production process and handover to process owners.

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FLOW CHART OF DMAIC IMPROVEMENT METHODOLOGY

Write the problem statement, the objective statement, prioritize, and lunch the project

Understand the process, validate the data accuracy, and determine process capability.

Each phase of the methodology has been thoughtfully designed to create a logical progression of finding the practical solution of the problem for breakthrough rates of improvement.

Determine the relationship of Y=f(x) + E and screen for the potential causes.

Determine, validate and implement solutions to achieve the objective statement

A structural approach for breakthrough results

Implement process control methods and monitor performance to sustain results

The 6 σ Breakthrough Strategy

QUALITY TERMS
- **Control** – The state of stability, normal variation and predictability. Process of regulating and guiding operations and process using quantitative data.
- **CTQ** – Critical to Quality (Critical "Y") – Element of a process or practice which has a direct impact on its perceived quality.
- **Customer Needs, Expectations** – Needs, as defined by customers, which meet their basic requirements and standards.
- **Defects** – Sources of customer irritation. Defects are costly to both customers and to manufacturers or service providers. Eliminating defects provides cost benefits.
- **Variance** – A change in a process or business practice that may alter its expected outcome.

(i)   Roles required for implementation - Six Sigma identifies five key roles for its successful implementation.

1. **Executive Leadership** includes CEO and other top management team members. They are responsible for setting up a vision for 6 σ implementation. They also empower the other role holders with the freedom and resources to explore new ideas for breakthrough improvements.

2. **Champions** are responsible for the Six Sigma implementation across the organization in an integrated manner. The Executive Leadership draws them from the upper management. Champions also act as mentors to Black Belts. At GE this level of certification is now called "Quality Leader".

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3. **Master Black Belts** identified by Champions, act as in – how expert coaches for the organization on Six Sigma. They devote 100% of their time to Six Sigma. They assist champions and guide Black Belts and Green Belts. Apart from the usual rigor of statistics, their time is spent on ensuring the integrated deployment of 6 σ across various functions and departments.

4. **Exports:** This level of skill is used primarily within aerospace and Defense Business Sectors. Exports work across company boundaries, improving services, processes and products for their supplies, their entire campuses, and for their customers. Raytheon Incorporated was one of the first companies to introduce experts to their organizations.

5. **Black Belts:** They operate under Master Black Belts to apply Six Sigma methodology to specific projects. They devote 100% of their time to 6 σ. They primarily focus on 6 σ project execution, whereas champions and Master Black Belts focus on identifying projects / functions for 6 σ.

6. **Green Belts:** They are the employees who take up 6 σ implementation along with their other job responsibilities. They operate under the guidance of Black Belts and support them in achieving the overall results.

LIST OF SIX SIGMA COMPANIES
- *Motorola*
- *General Electric*
- *3M*
- *Bank of America*
- *Advanced Micro Devices*
- *Caterpillar Inc.*
- *Honeywell International*
- *The Boeing Company*
- *Amazon Com. Inc.*
- *Littlewoods Shop Direct Group*
- *Ford*
- *Starwood Hotels & Resorts.*
- *U.S. Army*

Finest Japanese concept, tuned and twisted to the Samurai methods has its origin in the Indian subcontinent. – *A Logical controversy*

UNDERSTANDING THE PHILOSOPHY OF THE CONCEPT

Six Sigma the most acclaimed concept for the world of Industry has its origin form Japan. This drive is well admired in the Industry and firms are identified as distinct with the certification of Six Sigma. Fundamentally Six Sigma is understood as *"One Error In A Million Transactions"*. In other words, *"3.4. Mistakes In A Million Time Operation"* is accepted as Six Sigma. Quality is the big cry of the industry to improve in volume, value and image. Certification of higher quality standards are the bench mark of the brand and product. **Six Sigma** in the current scenario is the highest quality standard certification. This Japanese concept is well adopted by many manufacturing companies. Even many service organizations have also received Six Sigma certifications.

Apart from the industry, unorganized sector in services are proud receivers of the Six Sigma. To talk about the lunch suppliers, (Dabbawala) organization, i.e., unorganized sector has already received Six Sigma in its error free service network. These ***Dabbawalas in Mumbai*** supply the home cooked lunches of the job employees from their home door steps to their offices and place of works which has less than one error in a million of lunch supplies. In this context the transport mode and carrier is the Mumbai local trains. If the train routes are disrupted then the supply channel will have more errors to disqualify the Six Sigma certification. In the similar fashion may unorganized sectors are in the fray for six sigma certification in India.

THE ORIGIN & HISTORY OF SIX SIGMA - *THE CONTROVERSY*

In its origin and historical process to examine, Six Sigma as per samurai concept stands as one error accepted in a million time operation. One million is represented as six zeros to the right of the numeric one i.e., 1. Zero is an end less movement by Buddhist Philosophy. Zero represents a circle, any movement clock wise or anti – clock wise on a circle path is end less, similarly the quality circle is an endless process, every movement tries for improvement in the quality. Zero as a numeric concept originated in India that any mathematician and historian will strongly adheres to. Indian concept and contribution in the form of creating a **"Zero"** and application of "Zero" in numeric computation and calculation to the world is the biggest donation. To compute the error level in the **"Six sigma"** (1) error is acceptable in a million Transactions (000,000) i.e., (1) 000,000, the form of six represents the six zeros to the right of digit 1 as six sigma. The logical representations made in the oriental "Samurai Texts" as inspiring Philosophy for the Buddhist monks to practice to move towards perfect. At the same time oriental samurai Literature strongly advocates that no human work is perfect. And no human being can be perfect. Practicing to be perfect is the process for quality improvement in life. Life leads to salvation *"Nirvan"* at the end. To attain the holy goal, the human being needs to practice throughout the life endlessly. In Buddhist Philosophy Practice is the method to attain the goal. The topmost achievement can be computed with the least and lowest number of errors and mistakes. This method of Practice and practice till the end is justified with one error as accepted level to be Perfect in a million of acts of the perfect human being. This human concept of practice, error and mistakes are borrowed to the operation of an organization i.e., combination of man and machines in delivering quality.

BUDDHISM vs HINDUISM - *THE SIX SIGMA CONTRIBUTORS*

At the same time the Vedantic methods as per the oriental literatures in India **"Zero"** has its origin form the chants of **"OM"** in Vedas. The non script literate man represents **"OM"** as a Zero to remember the three numerics as Brahma, Visnu & Maheswar in a scripting representation of three "000" zeros. Indian Philosophic representation of **"Zero"** is many but ultimate end is its application in the right is multiplication through digit addition which is ten times, i.e., improvement of a minimum standard for calculation. Zero in the right and in the right place is the process of highest improvement to scale. The scientific temper of Indian Vedantic texts are logical, the logic defines "practice makes a man perfect" and *"perfect is not absolute".* Absolute achievement is the end in itself. These concepts of Vedantic literature and logic are borrowed by Buddhist literature to a great, extent. Reasons are obvious; Buddhism originates in the India and the philosophy and theosophy is influenced by Indian Philosophy, logic and reasoning. Buddhist texts preachers were trained in India through Indian scholastic thinking and logic. India's scholars influence on Buddhist literature is highly evident. Organization is a must by Buddhist Philosophy to survive and improve. The concept of *"Sangh"* justifies in Buddhism to organize in an organization.

In this context organization in Indian Philosophy is evident for the public welfare not for the religion. Hinduism is a religion having no preachers and teachers, it has originated from the nature and worship of nature is its practice. Preachers were in Jainism before Buddhism. Buddhism concept of *"Buddha" "Sangha"* and *"Dhama"* had highlighted themes to be accepted by common people. The concept organization greatly contributed for the spreading and acceptance of Buddhism in different parts of the world. With the practice of the organization theories Buddhism and organizational discipline in Buddhism proliferated the religion to spread in different land masses like China, Cambodia, Japan, Korea etc. in the Asia region? Training is the biggest contribution of this religion and was implemented with strict norms which helped the Buddhism to sustain in very odd situations in history and time.

SIX SIGMA & MARTIAL ARTS

The culture of martial arts of Buddhism has sustained and grown to heights through training. The world is crazy for several Buddhist martial arts of different Buddhist temples. Martial arts have trainers who certify the pupil with belts. Black belt is the right belt for a learner to impart the training further and to succeed

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as a trainer of the temple in the martial art. Practice and adoption of improvements are the procedure of qualifying from one belt to another. Quality is a continuous process of improvements. Six Sigma do in the same way has borrowed the concept of belt and "Black Belt" is last on the tag. Processes of quality improvements through training practice and tests of *Six Sigma* are indebted to Buddhist temples *"Marital Arts"* training, practice, and examination system. The silk route through the passes in Himalaya was the route of the Buddhist monks to spread Buddhism in an organized way in China and other land masses of the Asia Pacific region. Trade routes through warm currents on the sea ways was another route of Buddhist monks to preach Buddhism in Thailand Cambodia, Bali and Sumatra etc. Buddhist preachers and monks were the highest section of knowledgeable people of the society in India. Basically they were the scholars of that time. Buddhist monks were carrying the Indian knowledge and logic along with them apart from the knowledge of medicine (Ayurveda) Mathematics, Astronomy, Economics, Science, Philosophy etc. from Indian Vedantic teachings. Time to time Buddhism gained and received royal patronage from Indian rulers and emperors. Asoka the great was one of the greatest protagonists of Buddhism. His initiative in support of Buddhism is well evident in Srilanka today. Buddhism in fact has exported Indian knowledge bank to the other Asian regions.

BEYOND THE SIX SIGMA – NINE, FIFTEEN & THIRTY-THREE SIGMA

In the industry part, at present Six Sigma is considered as the highest quality certification. To examine the similar quality certification in the similar light and context few examples can be cited as beyond "Six Sigma". For the purpose the astonishing works of the calendar devised millenniums before through astronomy are performing flawlessly for the mankind. In this context of examination of error level it can be claimed that Gregorian calendar – (English calendar), Saka calendar – (Indian calendar), Hegira calendar - (Islamic calendar) have an error level which can be claimed as *"One Error In A Billion Transaction"* – which is nothing but – *"Nine Sigma".* All these calendars have more than millennium years of application and error level is nearest to nil. On application of the similar methods experts do claim the *"Nine Sigma"* norm is justified in case of these there great calendars of the world - Hindu, English and Islamic calendars.

More than two thousand three hundred years the works of the most pragmatic philosopher and scholar Chanakya has not been countered as obsolete or dead in his verses in *"Arthshastra" & "Nitishastra".* Not in a single stance, any concept of Chanakya has not been proved wrong till date in its applications and practice. Simply the concepts and rules of Chanakya are absolute without any flaw and time tested for more than two thousands and three hundred years. Scholars who have tested *"Chanakyaniti"* on human and human societies irrespective of time have found as absolute. The wonderful works of Chanakya logically have every claim for the certification of *"Fifteen Sigma"* i.e., less than *"One Error in A Tetrallion Applications".*

Not only nine and fifteen sigma for some master pieces, machines do have absolute performance with absolute error free. Such is the mathematics wonder machine for counting i.e., *"Chinese Abacus".* Abacus has performed for more than thousands of years without a single error to its credit. Even a single error has not yet found in its trillions of usage. Undoubtedly this can be claimed as **"Thirty Three Sigma"** on its function and counting. Nothing is more accurate in counting than that of an abacus. World, leader in computing **IBM** has well recognized the flawless performance of this tiny wonder.

INDIAN CONCEPT - SIX SIGMA

Six Sigma is not an end process for any industry. The continuity of improvements is the process. Japanese concept presentation of **"Six Sigma"** to the world of Industry is well admired and recognized. The concept and its application which originated in India have no global recognition. What the oriental India practiced is least recognized by the modern India in the present day. Nothing to surprise, we welcome many such applications and different sciences as alien. Our scholastic research works are so neglected even India lacks in recognizing its knowledge treasure. Six Sigma is one such great Indian Treasure Presented by the Japanese to the world with a crazy quality drive.

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A STUDY ON IMPULSIVE BUYING BEHAVIOUR AND SATISFACTION TOWARDS RETAIL OUTLET IN BIG BAZAAR COIMBATORE

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ABSTRACT

The study aims to analyze "Impulsive buying behaviour and customer's satisfaction towards retail outlet in Coimbatore city". The objective of the study is to analyse the buying behaviour of the consumers' of Big Bazaar. (2) To measure the level of satisfaction derived by the shoppers at Big Bazaar. (3) To assess the future relationship between the retailer and his customers. The study is based on the primary data collected from Big Bazaar Coimbatore region with the help of a structured questionnaire. The findings of the study states that consumer impulsive buying behaviour and consumer satisfaction is linked with buying performance.

KEYWORDS
Impulsive Buying Behaviour, Customer satisfaction, Big bazaar.

INTRODUCTION

The last millennium has witnessed innovations at every stage of the supply chain, giving rise to new models. The consumer interface, i.e. the retailing factor has undergone a sea of change, partly due to changing consumer needs and partly due to the emergence of new technologies. While some of the changes have been evolutionary in nature, some others have been category killers, leading to radical change in both consumer perceptions and formats. The ever-increasing focus on the customer will encourage all retailers to investigate the best way to foster and retain customer loyalty. With the conventional wisdom in retailing questioned and factors like location and prices not deemed as differentiating enough the retailers look into more innovative methods to attract customers. The trend in marketing toward building relationships with customers continues to grow, and marketers have become increasingly interested in retaining customers over the long run. It is with this platform that all retailers are vying for a share in the pie with new promotional offers every day. Organized retailing provides an ideal shopping experience through consumer preference analysis, excellent ambience and choice of merchandise. Changing lifestyles, strong income growth and favorable demographics are the drivers for the fast growth of this sector. Rising income level, education, acceptance of smart and credit cards and global exposure have an impact on the Indian consumer's shopping habits. Impact of factors like availability of favourite brands, social status, buying behaviour during discounts, influence of family and friends over the store and brand choice, relationship between store and store brand, and consumer perception towards store and national brands while shopping from a store, have not yet been gauged much by marketers. Thus, this study is an endeavour to understand and study consumer shopping behaviour towards organized retailer, so as to have a better insight of consumers buying behaviour. (Lata Vijaybaskar 2010)

NEED FOR THE STUDY

Impulsive purchasing, generally defined as a consumer's unplanned purchase is an important part of buyer behavior. It accounts for as much as 62per cent of supermarket sales and 80per cent of all sales in certain product categories. Moreover it can be understood from various literature reviews that Indian consumer's exhibits impulsiveness and price consciousness behavioural dimension. Retail consumers tend to purchase impulsively as they do not plan in advance and they also go for other brand if their preferred brand is not available in a particular store. They are influenced by the store brands' prices and try them during discounts and if the quality is delivered. In turn the satisfied customers prefer to visit the retailer again and again. Thus, it could be concluded that customer loyalty is customer's intention to purchase a specific product or services in future repeatedly and customer loyalty is an important indicator of store health. Customers can have long-term loyalty to the retail outlets. Long-term loyal customers do not easily Change their store and product choice. Researchers understand that impulsive buyers can be converted into loyal customer if they are satisfied. Moreover, it also understood from that review of earlier studies that though impulsive purchases has attracted much attention in consumer research, unfortunately there is a dearth of research on group-level determinants. Thus, the current topic is considered as significant. (Mayank Dhaundiyal 2009)

OBJECTIVES
- To analyse the buying behaviour of the consumers' of Big Bazaar.
- To measure the level of satisfaction derived by the shoppers at Big Bazaar.
- To assess the future relationship between the retailer and his customers.

HYPOTHESES OF THE STUDY
- H1: Customers' satisfaction towards retail outlets significantly vary from one to the other.
- H2: Impulsive buyers can be converted into compulsive buyers if the consumer's are satisfied with the product and services offered by the stores.
- H3: Impulsive buyers behaviour have negative impact on the retailer's performances if consumer's have experienced dissatisfied with the product and services offered by the seller.

REVIEW OF LITERATURE

Researchers have looked into the importance of customer satisfaction (Kotler, 2000) defined satisfaction as "person's feelings of pleasure or disappointment results from comparing a products perceived performance (or outcome) in relation to his or her expectations". The key of achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors' (Kotler, 1991, p.10)Muhammad Ali Tirmizi, Kashif-ul-Rehman, M.Iqbal saif (2009), in their study on "An Empirical Study of Consumer Impulse Buying Behavior in Local Markets"

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have clearly indicated that there exists a weak association between consumer lifestyle, fashion involvement and post decision stage of customer purchasing behaviour with the impulsive buying behaviour.

Johan Anselmsson (2006) "on sources of customer satisfaction with shopping malls, a comparative study of different customers segments", a study mainly focused on customer satisfaction and visit frequency at shopping malls among customer segments based on age and gender. It was found eight underlying factors are important to customer satisfaction. Those are selection, atmosphere, convenience, sales people, refreshments, location, and promotional activities and merchanding policy. Graeme D.Hutcheson and Luiz Moutinho (1988) study on "measuring preferred store satisfaction using consumer choice criteria as mediating factors" attempts to model causal effect that consumer's perception of choice criteria used to determine supermarket patronage has on the levels of perceived satisfaction with a preferred store. The likely importance of quality and value for money as choice criteria was reinforced by strength of their releationship with satisfaction, a variable generally believed to be one of the most important in determining store patronization and repatronization.

Robert A. Westbrook, (1981) " study on sources of consumer satisfaction for a large conventional department store has found that satisfaction from multiple sources serves to raise overall satisfaction while dissatisfaction from multiple sources corresponding lowers it. Peter Kennings (2007) study found that an overall positive effect of trust buying behaviour in food retailing. It is also found that general trust has no influence on specific trust and the meaning of specific trust for buying increases when general trust is low.Rajagopal (2008) in his "Study on point of sales promotions and buying stimulation in retail stores" analyses buying behaviour in reference to the point of sales promotion offered by retailing firm and the determinants of sensitivity towards stimulating shopping arousal and satisfaction customer in order to build store loyalty have been discussed in this paper. It is found that loyal customers are attracted to the store brands. Lutz (1981) in his study has concluded that "A perspective into consumer behaviour is motivated by a desire to understand the relationship between attitude and behaviour" psychologists have sought to constant models to capture the underlying dimensions' of an attitude. Eldon M. Kenneth E. Miller (1977) in their study related to the post purchase communication found that it results in increased satisfaction with the purchase letter communication.

METHODOLOGY OF THE STUDY
RESEARCH DESIGN
Considering this work as a basic research, this study has followed descriptive research design. An attempt is made in this study to understand an association between the impulsive purchase made by the customers visiting a store and their association with the concept of customer satisfaction. Data were collected from the potential customers of big bazaar Coimbatore, Tamil nadu, India.

DATA COLLECTION
This study both primary & secondary data were collected for the study
A questionnaire was designed to collect the primary data from the customers of Big Bazaar Coimbatore. Secondary data was collected from the files & records of big bazaar, Coimbatore.

POPULATION & SAMPLING FRAME
A convenient sampling method was used to obtain the data from the customers

SAMPLING METHOD
A Sample of 150 respondents was chosen for data collection. It was observed at the end of the week (data collected) nearly 25 questionnaires were incomplete. They were deleted from actual population which gave a sample of 125 respondents in total.

DATA ANALYSIS
The data were analyzed using ANOVA, Correlation etc statistical tools.

LIMITATIONS
Inspite of all possible care and efforts that have been taken by the researcher both at the time of collection of data and while deriving the conclusion, the present study is subject to the under mentioned limitations.

1. The data has been collected from the respondents of Coimbatore city. The results are location specific and therefore the conclusions drawn may not be applicable to a different district having different socio-economic conditions.

2. The study relating to service quality is entirely based on the responses given by the respondents. The views of the respondents relating to perception, satisfaction and expectation may be based.

ANALYSIS AND INTERPRETATION

TABLE 1: REASONS STATED FOR PREFERRING BIG BAZAAR

Factors influenced	Total Sum	Mean	Rank	Percentage
Proximity	10	0.08	4	4.00
Quality	270	2.16	1	43.20
Brand & price	168	1.34	2	33.60
Store layout	57	0.46	3	15.20
One Stop Shopping	10	0.08	4	4.00

From the above table it can be inferred that out of six variables considered for the customers' preferences to shop at a particular retail outlet viz, the proximity (nearness), quality, brand & price, store value, store layout and one stop shopping experiences. On average 2.16 per cent of the customers' prefer to shop at big bazaar as they are primarily impressed by quality of the products. Followed by it 1.34 on an average customers i.e., say 33.60 per cent of population out of 120 opined that they prefer to shop at Big Bazaar, Coimbatore as they avail premium brands at economic cost. It has been further observed that 15.20 per cent of the customers' i.e, 0.46 on an average have opted Big Bazaar because of its store layout and around 4 per cent as per survey i.e., 0.08 on average have opined that they have preferred big Bazaar for its proximity and to enjoy one shop experiences.

TABLE 2: INFLUENCES OF PROMOTIONAL APPEAL

Factors influenced	Total Sum	Mean	Rank	Percentage
Samples	42	0.34	3	11.20
Price Discounts	300	2.40	1	48.00
Bonus Packs	156	1.25	2	31.20
Exchange offers	4	0.03	5	4.00
Premiums Coupons	16	0.13	4	5.60

From the above table it has been inferred that majority of the customers' surveyed at Big Bazaar were primarily influenced by the price discounts offered by the retailer i.e, 2.40 on an average and 48 per cent in total. Followed by it they have ranked their liking towards bonus packages offered by the Big Bazaar. In the third place customers' have opined the sample packs offered by the retailer as more attractive by 0.34 persons on an average. Exchange offers and premium coupons offered by the retailer are duly ranked in the fourth and fifth places, respectively. Thus, it could be concluded that the major success secret of big bazaar super market business in India is its discount offers provided to the customers on season and off the seasons. Customers' Level of Satisfaction and Scope for Future Relationship, big Retailers operating in India need to retain existing customers while targeting non-customers. Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace.

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TABLE 3: SATISFACTION WITH BIG BAZAAR SHOPPING EXPERIENCES

Factors	Level of Satisfaction					Total Sum	Mean	Percentage
	Excellent	Good	Average	Below Average	Poor			
Ambience	16(12.80)	80(64.00)	21(16.80)	5(4.00)	3 (2.40)	476	3.81	76.16
Economical price	19(15.20)	82(65.60)	23(18.40)	1(0.80)	0 (0.00)	494	3.95	79.04
Variety	21(16.80)	75(60.09)	27(21.60)	2(1.60)	0 (0.00)	490	3.92	78.40
Store cleanliness	29(23.20)	69(55.20)	24(19.20)	1(0.80)	2 (1.60)	497	3.98	79.52
Home Delivery	10(8.00)	49(39.20)	30(24.00)	19 (5.20)	7(13.60)	391	3.13	62.56

It indicates that, product and store attributers influence store patronage and customer loyalty towards retail business in India, that could be inferred from data depicted in the above table. It has been inferred that 3.98 on an average scale of five point i.e., 79.52 per cent of customers' were highly satisfied with the store cleanliness of Big Bazaar. Followed by 3.95 on an average scale of five i.e., 79.04 per cent of the customers on an average have expressed that Big Bazaar offer economical price for the products it sells. On an average 3.92 i.e., 78.40 per cent of the surveyed population have appreciated product varieties offered by the retailer. It has also been observed that 3.81 and 3.13 on an average score i.e, 76.16 per cent and 62.56 per cent of the customers' of Big bazaar have expressed satisfaction towards ambience of the store and home delivery services offered by the retailer. It was, therefore, inferred that majority of the customers' who visit retail store are more satisfied with the cleanliness and price factors, than it's ambience or other services offered.

TABLE 4: RESULT OF ANOVA TEST

Source		Sum of Squares	DF	Mean Square	F	Sig
Between People		146.234	124	1.179	27.981	.000
Within People	Between Items	63.850	4	15.962		
	Residual	282.950	496	.570		
	Total	346.800	500	.694		
Total		493.034	624	.790		

From the above table it has been inferred that the probability value of F test is greater than the calculated F value at five per cent level of significance, therefore, the hypothesis framed stands accepted. It has been concluded that Customers' satisfaction towards retail outlets significantly vary from one to the other. Thus is has found that quality, brand and price are primary factors have influence the modern day customers' to shop at retail outlets like Big Bazaar. The major success secret of pantaloon business in India is its discount offers provided to the customers on season and off the seasons periods.

TABLE 5: OVERALL SATISFACTION

Sl.No	Nature of Experiences	Number of Respondents	Percentage
1.	Excellent	13	10.40
2.	Good	88	70.40
3.	Average	23	18.40
4.	Poor	1	0.80
	Total	125	100

The table indicates that 70.40 per cent of the customers have opined that services and product offered by the Big Bazaar as good. On the contrary 18.40 per cent of the respondents have said it as average, 10.40 per cent as excellent and just 0.80 per cent as poor. More than 70 per cent of the customers have opined that the services and product offered are good and 47 per cent opined that the store is too messy and disorganized. It is found that some initiatives have to taken at big bazaar to solve this issue. A little more than half the population of customers purchasing at big bazaar have the intention of recommending this place to the others and they seem to have good relationship with the shop and those are the reliable customers of big bazaar.

TABLE 6: QUALITY OF RELATIONSHIP

Sl.No	Opinion	Number of Respondents	Percentage
1.	Excellent	20	16.00
2.	Very Good	39	31.20
3.	Good	64	51.20
4.	Poor	2	1.60
	Total	125	100

Quality of relationship a customer maintains with the seller always influences his/her future loyalty towards the store. In the above table a description has been drawn to know the quality of relationship customers had with Big Bazaar store during their visit. It has been observed that 51.20 per cent have said it as good, 31.20 per cent as very good, 16 per cent have rated it as excellent and 1.60 per cent as poor. The following hypotheses have been drawn to measure the customer whether impulsive buyers can be converted into compulsive buyers if they are satisfied with the product and services offered by the stores.

TABLE 7: RESULT OF ANOVA TEST

Variables	Source	Sum of Squares	DF	Mean Square	F	Sig.
Recommendation to friends Vs Overall Satisfaction	Between Groups	3.162	3	1.054	2.769	.045
	Within Groups	46.070	121	.381		
	Total	49.232	124	-		
Repurchase option Vs Overall Satisfaction	Between Groups	10.738	3	3.579	5.101	.002
	Within Groups	84.894	121	.702		
	Total	95.632	124	-		
Quality of Relationship Vs Overall Satisfaction	Between Groups	4.879	3	1.626	1.105	.350
	Within Groups	178.129	121	1.472		
	Total	183.008	124	-		

From the above table it has inferred that the probability values of F test from two variables are greater at five per cent level of significance. Therefore, it could be concluded that the impulsive buyers can be converted into compulsive buyers if they are satisfied with the product and services offered by the stores and they tend to recommend the store to the potential customers and prefer repurchasing.

However, the establishment of quality of relationship depends on the nature of future services offered by the retailers and the influences of competitors on them.

TABLE 8: RESULT OF ANOVA TEST

Variables	Source	Sum of Squares	DF	Mean Square	F	Sig.
Recommendation to friends Vs Nature of Dissatisfaction	Between Groups	1.687	3	.562	1.431	.237
	Within Groups	47.545	121	.393		
	Total	49.232	124	-		
Repurchase option Vs Nature of Dissatisfaction	Between Groups	4.142	3	1.381	1.826	.146
	Within Groups	91.490	121	.756		
	Total	95.632	124	-		
Quality of Relationship Vs Nature of Dissatisfaction	Between Groups	3.232	3	1.077	.725	.539
	Within Groups	179.776	121	1.486		
	Total	183.008	124	-		

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It has been inferred from the above table that the calculated F values are greater than its probability values at 5 per cent level of significance. Therefore, the hypothesis framed stands rejected and it has been concluded that the impulsive buyers behaviour do have negative impact on the retailer's performances if they had experienced dissatisfaction with the product and services offered by the seller.

FINDINGS
- The majority of the consumers of big bazaar is the younger population with high potent purchasing behavior. Different occupational habitants were influenced by different medium/media of advertisement that has in due course influenced their impulsive buying behaviour.Majority of the customer surveyed prefer shopping once in month and majority of the customers' surveyed prefer to spending 1-2 hours in the Big Bazaar at Coimbatore in invariably of their occupational status, except the business class customers, who prefers to spend less than an hour.
- It has observed that majority of the impulsive buyers prefer to spend between Rs.501–Rs.1000 on their shopping and 40 per cent of items brought were household items. It has been inferred that quality, brand and price are primary factors have influence the modern day customers' to shop at retail outlets like Big Bazaar. The major success secret of pantaloon business in India is its discount offers provided to the customers on season and off the seasons periods. Thus, it has inferred that 70.40 per cent of the customers have opined that services and product offered by the Big Bazaar as good.
- The result of reliability analysis states that customers' satisfaction towards retail outlets significantly vary from one to the other. Correlation co-efficient test significantly proves that overall satisfaction with store ambience, variety of products offered, economical prices, store cleanliness and one with negative correlation. It has evidenced from the F test that the probability values for two variables were greater at five per cent level of significance.
- In another hypothesis test it has found that the calculated F values were greater than its probability values at 5 per cent level of significance.

SUGGESTIONS
Customer's relationship with the retail store is the one of the most important thing which decides everything. Generally the customer's expect more and more satisfaction in all aspects, each and every time they step into a store. In today retail market the organized retailing could grow tremendously provided they adopt the right marketing strategies and customer attraction techniques. Moreover, the researcher strongly feels that retail managers need to enhance product variety and store convenience to improve customer loyalty. Retail managers must also assure product variety and availability of new products to enhance customer loyalty.

CONCLUSION
The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next booming industry. At this juncture the Indian retail market is continuously increasing, on the back drop that middle class households purchasing power are rising as there is increase in the total income as well as the change in theirs tastes and preferences towards modern retail outlets. The retail players to be able to understand the extent in with different factors affect in converting the impulse buyers to compulsive buyers.

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A STUDY ON BRAND PERCEPTION OF FMCG GOODS

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ABSTRACT

Retail industry is one of the largest industries in India. India is the third-most attractive retail market for global retailers among the 30 largest emerging markets, according to US consulting group AT Kearney's report published in June 2010. The total retail sales in India will grow from US$ 395.96 billion in 2011 to US$ 785.12 billion by 2015, according to the BMI India Retail report for the third quarter of 2011. The branding of fast moving consumer goods has become an integral part of the lives of consumers. Consumers are literally confronted with hundreds of brands on a daily basis and are, therefore, spoilt for choice. The objective of conducting the research was to analyse the extent to which Indian retail store managers perceptions and consumers' perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores at Bangalore. This was carried out by identifying the main variables like branding, packaging, pricing, promotions and quality. The study was based on the impact of these variables on the perception of consumers' and Indian retail store managers. The study revealed that the consumers and store managers believe that consumer purchase depend on branding and the quality of the products and all other variables have a least impact.

KEYWORDS

Branding, Consumer Perception, Fast Moving Consumer Goods (FMCG), Quality, Retail Store Manager Perception.

INTRODUCTION

Retail industry is one of the largest, most dynamic and fast paced industry in India. An increasing population, booming economy with large young working population and emerging opportunities are the key factors for the growth of the organized retail sector in India. The concept of shopping in India has changed over the years in terms of consumer behaviour. Modern retailing is bustling with shopping centres, multi-storied malls and the huge complexes that offer shopping, entertainment and food all under one roof. The purchasing power of Indian urban and semi-urban consumer is growing and branded merchandise in categories like apparels, cosmetics, shoes, watches, beverages, food, jewellery and so on are slowly becoming lifestyle products that are widely accepted by the consumer.

The emphasis here is on retail brand rather than retailers selling branded products. The focus should be on branding the retail business itself. In their preparation to face fierce competitive pressure, Indian retailers must come to recognize the value of building their own stores as brands to reinforce their marketing positioning, to communicate quality as well as value for money. Sustainable competitive advantage will be dependent on translating core values combining products, image and reputation into a coherent retail brand strategy. The brands need to have a credibility and trust. If the brand is not trusted by the consumers, another brand will capture that market instantly. Consumers are increasingly experiencing what they perceive as an enhanced image from the consumption and possession of branded products.

The branding of fast moving consumer goods has become an integral part of the lives of consumers. Consumers are literally confronted with hundreds of brands on a daily basis and are, therefore, spoilt for choice. From a business's perspective, brands are sole entity for marketing and business strategy. Establishing a brand that has earned the respect and admiration of consumers is of fundamental importance in attempting to build market share and maximize the wealth of their shareholders by increasing turnover through innovative marketing campaigns. The role and impact of branding and its integral aspects of packaging, pricing, promotion and quality will be interrogated to establish how these variables contribute towards this convergence of perceptions which determines the brand equity of fast moving consumer goods. Evidently, the turnover generated from the sales of fast moving consumer goods forms a significant portion of all sales generated by retail chain stores. The results arising from this study will provide retail chain stores with crucial information with regards to the factors that motivate consumers to purchase fast moving consumer goods. The information gathered on the branding of fast moving consumer goods will prove useful to store managers in terms of allocating shelf-space to the various brands of fast moving consumer goods. The improvements that should arise in retail chain stores as a result of the better management of the fast moving consumer goods category should provide the consumer with a more pleasurable shopping experience.

REVIEW OF LITERATURE

Important way to keep a brand alive and to realize incremental financial growth. In order to be successful at introducing new extensions managers should understand line extensions' key success factors. In this study three market-related factors' impact on line extension success were investigated, i.e. the level of competition in the market place; retailer power; and consumers' variety seeking behaviour. Data collected from 49 marketing and product managers in the fast-moving consumer goods industry showed that line extensions have very little added value over existing products, and that cannibalization is very much related to a line extension's success. Of all line extensions, those involving new flavours and new packaging/sizes were most successful. Extensions that improved product quality were found to be unsuccessful. The market-variables: level of competition; retailer power; and variety seeking behaviour all had a negative influence on line extension success. Dominant brands were hurt more by variety seeking behaviour's negative impact than less dominant brands. **Edwin J Nijssen (2001)**

The research was carried out by **Adelina Broadbridge and Henry P Morgan (2001)** to investigate the consumer acceptance of retailers-own-brand of baby care toiletry products. It reveals the consumer perceptions and buying behaviour of retail brands versus manufacturer brand baby care toiletry products. The 72% of consumers are buying some retail-brand baby-care products but although certain baby products and labels carried higher perceived risk than others. In general, however, manufacturer-branded baby-care products were regarded by respondents to be of higher quality and lower perceived risk than retail-brand baby-care products. Developing retailers-own-brand of baby care range by options would appear to be high-risk strategy. Rather, better to develop low-risk product category like bath and shower products for adults.

The research by **Elise Gaillard, et al (2005)** states on exploring consumer perceptions of visual distinctiveness associated on visual element of colours and symbols used by seven largest banks of Australia. This study depicts that there is no relation between the brand's market share and brand and advertisement distinctiveness. The term distinctiveness' has been ascribed a number of differing meanings in marketing, but there is a common element of it being something that makes the brand stand out. This paper explores consumer perceptions of what makes a brand distinctive and compares this to perceptions about what makes an advertisement distinctive. In particular, visual distinctiveness is explored. However, consumers had great difficulty in articulating what in particular made a brand or advertising distinctive, in terms of specific elements such as shape or colour. When focusing on the visual elements of distinctiveness, symbols were the most commonly mentioned element, followed closely by colours. Finally, the author argues that brand and advertisement distinctiveness are not necessarily a useful selling tools.

Indian FMCG covers the industry overview, general economic environment, food inflation, food and beverages industry, household care and personal care. It also covers the market trends and outlook, Union Budget 2010-2011, e-Choupal, growth in rural areas, regulatory issues namely National Food Processing Policy, FDI policy in retail trading and government policies and initiatives, plus the comparative matrix and SWOT of the industry leading players: Hindustan Unilever

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Ltd, Nirma Ltd, Dabur India Ltd, Colgate-Palmolive India Ltd, and Godrej Consumer Products Ltd. It speaks about brand consolidation, product innovations, life-style products, third party manufacturing, expanding horizons and backward integration.(**www.ibef.org.)**

NEED FOR THE STUDY

This study provides an assessment on the extent to which the perceptions of consumers and that of marketers of fast moving consumer goods converge in respect of branding and its integral aspects of packaging, pricing, promotions and the quality of fast moving consumer goods as they influence the sales of these products. Also, this provides some exposure on the rapidly growing Indian consumer market which will in turn provide unique insights into the needs and desires of the population. Fast moving consumer goods have become an integral part of the lives of all consumers. This study will investigate the extent to which the perceptions of marketers and consumers converge to promote brand equity in respect of fast moving consumer goods in retail chain stores at Bangalore city.

OBJECTIVE OF THE STUDY

PRIMARY OBJECTIVE
- To analyse the marketers perception and consumers' perception converge on the importance of brand equity in Bangalore city.

SECONDARY OBJECTIVE
- To prove the convergence of the consumer perception and marketer perception
- To understand the impact of Packaging on the perceived value of FMCG
- To understand the impact of Pricing on the perceived value of FMCG
- To understand the impact of Promotion on consumer purchase of FMCG
- To understand the role of Quality as a strategic tool of marketing.

In this investigation, the five main variables are Branding, Packaging, Pricing, Promotions and Quality

STATEMENT OF HYPOTHESIS

H0: Male and female consumers have different opinions with regards to the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of FMCG.

H1: Male and female consumers have similar opinions with regards to the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of FMCG.

SAMPLING TECHNIQUES AND DESCRIPTION OF THE SAMPLE

The sample size for this investigation consisted of 6 individual retail outlets and 50 consumers.

The random sampling technique was used to select the sample for this investigation.

In the study, descriptive and statistical tools were used to analyse the data. F-test was used to determine whether significant difference exists between the perception of store managers and consumers with regard to branding, packaging, pricing, promotions and quality of fast moving consumer goods.

The analysis of variance (ANOVA) used to determine if different groups within a sample vary with regard to the independent variable was been investigated.

ANALYSIS

STORE MANAGER PERCEPTION ON CONSUMER PURCHASE BEHAVIOUR

TABLE 1: KARL PEARSON CORRELATION ON CONSUMER PURCHASE BEHAVIOUR

		Branding	Packaging	Pricing	Promotion	Quality
Branding	Pearson Correlation	1	.525	.493	.045	-.083
	Sig. (2-tailed)		.285	.320	.932	.876
	N	6	6	6	6	6
Packaging	Pearson Correlation	.525	1	.276	.086	-.632
	Sig. (2-tailed)	.285		.596	.872	.178
	N	6	6	6	6	6
Pricing	Pearson Correlation	.493	.276	1	.492	.559
	Sig. (2-tailed)	.320	.596		.321	.249
	N	6	6	6	6	6
Promotion	Pearson Correlation	.045	.086	.492	1	.434
	Sig. (2-tailed)	.932	.872	.321		.390
	N	6	6	6	6	6
Quality	Pearson Correlation	-.083	-.632	.559	.434	1
	Sig. (2-tailed)	.876	.178	.249	.390	
	N	6	6	6	6	6

- When branding and packaging were correlated a p value of 0.285 was obtained which is greater than 0.05. This finding means that branding and packaging have no statistically significant correlation. Store managers believe that better packaging do not lead to more purchases by consumers of branded products. But these variables are significant at 85% confidence.
- When packaging and pricing were correlated a p value of .596 was obtained which is greater than 0.05. This finding means that packaging and pricing have no statistically significant correlation. Store managers believe that consumers are not prepared to pay higher prices for improved packaging of branded products.
- When packaging and quality were correlated a p value of .178 was obtained which is greater than 0.05. This finding means that packaging and quality have no statistically significant correlation. Store managers believe that consumers do not perceive that improved quality of brands to be accompanied by improved packaging.

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- When pricing and promotions were correlated a p value of 0.321 was obtained which is greater than 0.05. This finding means that pricing and promotions have no statistically significant correlation. Store managers believe that consumers assume increased promotions are accompanied by an increase in the price of branded products.
- When promotions and quality were correlated a p value of 0.390 was obtained which is greater than 0.05. This finding means that promotions and quality have no statistically significant correlation. Store managers believe that consumers do not expect increased promotions to be accompanied by improved quality of branded products.

Arising from the above discussion, there is no significant relationship between branding and the integral aspects of their packaging, pricing, promotions and quality with regards to store manager's perceptions of fast moving consumer goods and consumers purchasing behaviour. Though there is no significant relation between branding and other variables, there is strong relationship, which exists between these variables, also indicates that consumers view the product from a holistic perspective and not just from the perspective of a single variable.

STORE MANAGER'S PERCEPTION ON FMCG

TABLE 2: KARL PEARSON CORRELATION ON STORE MANAGER'S PERCEPTION OF FMCG (Correlations)

		Brand	Packaging	Price	Quality	Promotion
Brand	Pearson Correlation	1	-.700	-.553	.870[*]	-.542
	Sig. (2-tailed)		.121	.255	.024	.266
	N	6	6	6	6	6
Packaging	Pearson Correlation	-.700	1	.316	-.395	.217
	Sig. (2-tailed)	.121		.541	.438	.680
	N	6	6	6	6	6
Price	Pearson Correlation	-.553	.316	1	-.313	.943[**]
	Sig. (2-tailed)	.255	.541		.547	.005
	N	6	6	6	6	6
Quality	Pearson Correlation	.870[*]	-.395	-.313	1	-.343
	Sig. (2-tailed)	.024	.438	.547		.506
	N	6	6	6	6	6
Promotion	Pearson Correlation	-.542	.217	.943[**]	-.343	1
	Sig. (2-tailed)	.266	.680	.005	.506	
	N	6	6	6	6	6

- The correlation between branding and packaging has a p value that is 0.121, which is greater than 0.05. This finding means that branding and packaging have no statistically significant correlation. Store managers do not believe that good brands are accompanied by good packaging but as the brand improves, the packaging also improves.
- The correlation between branding and pricing has a p value of 0.255, which is greater 0.05. This finding means that branding and pricing have no statistically significant correlation as well. Store managers believe that when price of the branded product is reduced, the purchase of the brand increases up to a point.
- The correlation between branding and quality has a p value of 0.024, which is less than 0.05. This finding means that branding and quality have a statistically significant correlation. This implies that the better the quality, the more likely it is that the product is a branded product.
- The correlation between packaging and promotions has a p value of 0.680, which is greater than 0.05. This finding means that packaging and promotions have no statistically significant correlation.
- The correlation between pricing and quality has a p value that is 0.547, which is greater than 0.05. This finding means that pricing and quality has no statistically significant correlation.

CONSUMER PERCEPTION ON FMCG

TABLE 3: KARL PEARSON CORRELATION ON CONSUMER PERCEPTION OF FMCG

		Brand	Packaging	Price	Promotion	Quality
Brand	Pearson Correlation	1	.184	-.186	.082	-.013
	Sig. (2-tailed)		.216	.212	.584	.928
	N	47	47	47	47	47
Packaging	Pearson Correlation	.184	1	-.032	-.230	-.054
	Sig. (2-tailed)	.216		.831	.120	.717
	N	47	47	47	47	47
Price	Pearson Correlation	-.186	-.032	1	.394[**]	.284
	Sig. (2-tailed)	.212	.831		.006	.053
	N	47	47	47	47	47
Promotion	Pearson Correlation	.082	-.230	.394[**]	1	.195
	Sig. (2-tailed)	.584	.120	.006		.189
	N	47	47	47	47	47
Quality	Pearson Correlation	-.013	-.054	.284	.195	1
	Sig. (2-tailed)	.928	.717	.053	.189	
	N	47	47	47	47	47

**. Correlation is significant at the 0.05 level (2-tailed).

- In determining the correlation between branding, packaging, pricing, promotions and quality a p value greater than 0.05 was obtained which means that these variables have no significant relation to brand. Consumers believe that improvements in brands are accompanied by improvements in promotions and quality.

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- In determining the correlation between packaging, pricing, promotions and quality a p values were greater than 0.05. This finding means that packaging, pricing, promotions and quality have no statistically significant correlation. Consumers believe that improvements in packaging are not accompanied by higher prices, promotions and quality of branded products.
- In determining the correlation between pricing, promotions and quality a p value of 0.006 and 0.053 was obtained which is less than 0.05. This finding means that pricing, promotions and quality have a statistically significant correlation. Consumers believe that higher prices are expected to be accompanied by increased promotions and quality.

Arising from the above discussion, there is no significant relationship between branding and the integral aspects of their packaging, pricing, promotions and quality with regards to consumer's perceptions of fast moving consumer goods. These results are also consistent with the results achieved for the store managers survey.

HYPOTHESIS TESTING
Anova test for gender differences of consumers perception about fast moving consumer goods

TABLE 4: ANALYSIS OF VARIANCE ON GENDER AND CONSUMERS PERCEPTION ON FMCG

		Sum of Squares	Df	Mean Square	F	Sig.
Branding	Between Groups	.000	1	.000	.000	.989
	Within Groups	33.830	45	.752		
	Total	33.830	46			
Packaging	Between Groups	1.422	1	1.422	2.105	.154
	Within Groups	30.407	45	.676		
	Total	31.830	46			
Pricing	Between Groups	1.207	1	1.207	1.444	.236
	Within Groups	37.602	45	.836		
	Total	38.809	46			
Promotions	Between Groups	.468	1	.468	.527	.472
	Within Groups	39.957	45	.888		
	Total	40.426	46			
Quality	Between Groups	.761	1	.761	1.166	.286
	Within Groups	28.717	44	.653		
	Total	29.478	45			

The p significance values are above 0.05 for consumers perceptions relating to the impact of branding, packaging, pricing, promotions and quality assessments of consumers. Hence, male and female consumers have similar opinions with regards to the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods.

MAJOR FINDINGS
- According to the study done on the store manager's perception on consumer purchase, there is no significant relationship between branding and the integral aspects of their packaging, pricing, promotions and quality.
- According to the store manager's perception on FMCG there is significant relationship between branding and quality at 95% confidence level .And the variables are highly correlated with each other, means as the brand value increases its quality increases.
- Also the store managers believe that the price of the FMCG products have a significant correlation with the promotion for the brand. They are correlated at 99% confidence level. This means that they believe that the price of the FMCG products increase as the promotion increases.
- From the study on the perception of the consumers on the FMCG products it is found that there is significant correlation between price and promotion of the FMCG products. That is the consumers believe that the price of the product increases as the promotion of the products increases.
- The research indicates that consumer perception has no significant correlation between the brand and the variables like promotion, price, quality etc.
- Only 42% of the consumers and 50 % of the store managers believe that packaging has a positive impact on the sales of the FMCG.
- It can be seen from the study that 34.05% and 66.67% of   consumers and the store managers believe that the pricing has an impact on the sales of a product.
- Only 42% of the consumers and 50 % of the store managers believe that promotion has a positive impact on the sales of the FMCG
- 70.21% of consumers and 66.67% of store managers believe that quality has a positive implication on sales of the product.

CONCLUSION

This investigation has been directed towards providing both marketers and academics with greater insight into consumer purchasing behaviour as it relates to the consumption of fast moving consumer goods. The study focused branding from two different perspectives, that is on the part of the consumers and the other from the side of the store managers. According to the store mangers the brand value of the FMCG products are not determined by the packaging, promotion and pricing of the products. But they believe that consumer buy FMCG product based on their quality. They believe that the customers are satisfied with quality of the branded products and so the purchase of FMCG products will increase if they are of good quality.

The consumer's perception of branded FMCG products states that the promotion of these products increases the price of the product. Also from the study on the impact of different variables on the brand, it was found that the impact of the quality of the products to be more prominent when compared to other variables. So it can be concluded that the store managers and the consumers perception do not converge on the fact that branding has to be improved to increase the sales of FMCG goods. Finally, the study reveals that the consumers and store managers believe that consumer purchase depend on branding and the quality of the products.

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ENVIRONMENTAL MANAGEMENT ACCOUNTING PRACTICES IN SELECT ISO 14001 COMPANIES IN INDIA

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ABSTRACT

Environmental Management Accounting (EMA) is one the management systems to improve environmental and economic performance of business firms. Various research studies in industrially developed countries support it empirically. This paper makes an attempt to study the extent of EMA system and practices prevalent in select Indian business firms with ISO 14001 certification and make suggestions to strengthen it further on the basis of results. The study reveals that for majority of firms Physical Environmental Management Accounting (PEMA) system aspect is well developed but lot of scope is left for Monetary Environmental Management Accounting (MEMA) system aspect usage. The findings are in line with previous studies. The intervention of Institute of Cost and Works and Accountants of India (ICWAI) for making wide application of MEMA and its integration with PEMA can go a long way in making EMA a very effective tool for making Indian business firms sustainable. The issue of guideline on EMA in Indian context can be the right step in this direction.

KEYWORDS

Environmental Accounting (EA), Environmental Management Accounting (EMA), ISO 14001 certified companies, Monetary Environmental Management Accounting (MEMA), Physical Environmental Management Accounting (PEMA).

INTRODUCTION AND CONTEXT OF THE STUDY

In the last few years, there has been a growing awareness of the need to discover the art of living in harmony with nature. It is also realized that the environment is not a permanent asset. Rapid industrialization, inspite of its positive effect on economic development has very seriously threatened the world's natural environmental balance. There is a growing pressure from environmentalists, government, society, customers, employees, and competitors on business firms to be environmentally accountable. Proper balancing of economic development and environment protection is gradually being recognized by all concerned.

Environmental accounting is considered one of the important management systems to enable improvement of economic and environmental performance of a business firm. Various research studies (Shield et al 1995, Joshi et al 2001, Stasiskine and Staniskis 2005, Jurgens 2006) show that adoption of environmental management accounting helps to improve the environmental and economic performance of the business firms. Countries like Germany, U K, Japan, USA, Canada have issued guidelines for preparation of environmental accounting. IFSC also issued guideline for the same taking the best practices prevalent in various countries. In India so far the guidelines for preparation of environmental accounting are not available. Study by Prasad (2009) in Indian context has thrown some light on availability of environmental information for decision making. In this background this study makes an attempt to explore the extent of environmental accounting system practiced by Indian inc.

The availability of this information can help to further strengthen the systems to meet the challenges of improving environmental and economic performance of business firms.

THEORETICAL BACKGROUND OF ENVIRONMENTAL MANAGEMENT ACCOUNTING (EMA)

The fact that environment costs are not fully recorded often leads to distorted calculations for improvement options. Environment protection projects aiming to prevent emissions and waste at the source (avoidance option) by better utilizing raw and auxiliary materials and requiring less (harmful) operating materials are not recognized and implemented. The economic and ecological advantages to be derived from such measures are not used. The people in charge are often not aware that producing waste and emissions is usually more expensive than disposing of them[1]. There are also other reasons in interest in the Environmental Accounting like : If existing accounting systems does not provide financial data on the environmental performance of organizations that will help non-complying organizations/entities to pollute environment and spoil resource and yet appear more economic efficient than other which incur costs to protect the environment. Many of the environmental activities are of quantitative and accordingly of financial nature and have a major effect on organizations costs, assets and liabilities. Environmental risks may result in huge environmental liabilities and subsequently the organization/entity may be obliged to outlay large payments which may affect seriously the liquidity and the financial position of the organization[2].

Environment Accounting (EA) being in developing stage, the language used for environmental accounting is not standardized. Even within a particular subset of EA, such as EMA, terminology differs among organizations and countries. For example, EMA has been variously called EA, EMA, Environmental Cost Accounting (ECA), Full Cost Accounting (FCA), Total Cost Assessment (TCA) etc. Thus, in discussing any type of environmental related accounting within an organization or elsewhere, it is important to clarify the definition and languages being used[3]."

Environmental Management Accounting has no single, universally accepted definition. According to IFAC's Statement Management Accounting Concepts, "*EMA is the management of environmental and economic performance through the development and implementation of appropriate environment-related accounting systems and practices. While this may include reporting and auditing in some companies, environmental management accounting typically involves life-cycle costing, full-cost accounting, benefits assessment, and strategic planning for environmental management.*"[A]

A complementary definition is given by the United Nations Expert Working Group on EMA[5], which more distinctively highlights both the physical and monetary sides of EMA. This definition was developed by international consensus of the group members, representing 30+ nations. According to the UN group EMA is broadly defined to be the identification, collection, analysis and use of two types of information for internal decision making :

- Physical information on the use, flows and destinies of energy, water and materials (including wastes) and
- Monetary information on environment-related costs, earnings and savings

At the Micro (organization) level, EA takes place in the context of both management accounting (assessment of an organization's expenditures on pollution control equipment; revenues from recycled materials; annual monetary savings from new energy-efficient equipment) and financial accounting (evaluation and reporting of the organization's current environment-related liabilities)[6].

Application fields for the use of EMA data are assessment of annual environmental costs / expenditure, product pricing, budgeting, investment appraisal, calculating investment options, calculating costs, savings and benefits of environmental projects, design and implementation of environmental management

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systems, environmental performance evaluation, indicators and Benchmarking Setting quantified performance targets, cleaner production, pollution prevention, supply chain management and design for environment projects, external disclosure of environmental expenditures, investments and liabilities, external environmental or sustainability reporting, and other reporting of environmental data to statistical agencies and local authorities[7].

EMA was defined in the second and third meeting of the expert working group on "improving the role of Government in the promotion of EMA" of the United Nations Division for Sustainable Development to cover the issues in the two middle columns of the table namely – MEMA and PEMA. Figure 1 shows the framework of EMA developed by the said group[8].

FIGURE 1: FIGURE SHOWING FRAMEWORK OF ENVIRONMENTAL MANAGEMENT ACCOUNTING

Accounting in Monetary Units			Accounting in Physical Units	
Conventional Accounting	Environmental Management Accounting		Other Assessment Tools
	MEMA Monetary EMA	PEMA Physical EMA	
DATA ON THE CORPORATE LEVEL			
Conventional bookkeeping	Transition of environmental part from bookkeeping and cost accounting	Material flow balances on the corporate level for mass, energy and water flows	Production planning systems, stock accounting systems
DATA ON THE PROCESS/COST CENTRE AND PRODUCT/COST CARRIER LEVELS			
Cost accounting	Activity based material flow cost accounting	Material flow balances on the process and product levels	Other environmental assessments, measures and evaluation tools
BUSINESS APPLICATION			
Internal use for statistics, indicators, calculating savings, budgeting and investment appraisal	Internal use for statistics, indicators, calculating savings, budgeting and investment appraisal of environmental costs	Internal use for environmental management systems and performance evaluation, benchmarking	Other internal use for cleaner production projects and eco design
External financial reporting	External disclosure of environmental expenditures, investments and liabilities	External reporting (EMA statement, corporate environmental report, sustainability report)	Other external reporting to statistical agencies, local governments, etc.
NATIONAL APPLICATION			
National income accounting by statistical agency	National accounting on investments and annual environmental costs of industry, externalities costing		

Source: United Nation Division for Sustainable Development, (2001) *Environmental Management Accounting Procedures and Principles*, United Nation Publication, New York. Internet http://www.un.org/esa/sustdev/publications/proceduresandprincipal (PDF)

Physical Environment Management Accounting (PEMA) is an information tool for internal management decisions. It includes materials and materials-driven costs like use of energy, water, generation of waste and emissions, personal hours[9].

PEMA as an internal physical environmental accounting approach serves as:

- An analytical tool designed to detect ecological strengths and weakness;
- A decision-support technique concerned with highlighting relative environmental quality;
- A measurement tool for that is an integral part of other environmental measures such as eco-efficiency;
- A tool for direct and indirect control of environment consequences;
- An accountability tool providing a neutral and transparent base for internal and, indirectly , external communication; and
- A tool with a close and complementary fit to the set of tools being developed to help promote ecologically sustainable development.

This physical accounting information does not provide all of the data needed for effectively managing all potential environmental impacts, but is essential information that the accounting functions can provide[10].

Monetary approach emerged due to the fact that the Physical Approach does not fulfill the requirements of the Environmental Accounting. Nevertheless, the physical approach is very important to get physical information about the resources which enables to prepare the environmental statistics and is considered the first step in the monetary approach. Despite the difficulties associated with the monetary approach, it gained a lot of interest as such data will enable to know the profit and loss associated with environmental operations and to get environmentally adjusted economic indicators[11]. It deals with the environmentally induced impacts on a company expressed in monetary terms like costs or fines for braking environment laws, investment in capital budgeting. It contributes to strategic and operational planning, provides the main basis for decisions about how to achieve desired goals, and act as a control and accountability device[12].

As per IFAC (2005)[13] to achieve environment and economic performance cost-categories could be used, which induce environmental-related cost information. The environment cost categories include 1. materials costs of product outputs 2. materials costs of non-product outputs 3. Waste and emission control costs 4. prevention and other environmental management costs 5. research and development costs and 6. less tangible costs.

LITERATURE REVIEW

Shields, Beloff, Heller[14] (1995) made a study with the purpose to compare environmental accounting approaches in oil and chemical companies whose activities have significant environmental impact. The study had the objectives, 1) To collect information about what companies in the chemical and refining industries are doing in accounting for environmental costs and how environmental accounting can provide decision makers with the information they need 2) To develop case studies from each participating company on how they are grappling with the issues of environmental management and cost accounting for environmental activities 3) To establish baseline environmental cost information as identified by all participating companies 4) To develop a framework for understanding the nature and uses of environmental accounting. The team developed a questionnaire to collect data. The questionnaire was divided into five parts: company Overview, attitude toward environmental Stewardship/ corporate culture, environmental cost accounting systems, environmental costs & non-financial

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performance measures, and cost information for decision making. The participants felt that non-financial measures were superior to financial information for day-to-day management, but that financial information more effectively justified the need for intervention to top management.

White, *et al*[15] (1995) made study on corporate environmental cost accounting practices and applied it for the capital budgeting decisions in U.S. manufacturing firms. For cost management, environmental cost inventory and cost allocation methods were key issues for companies. The survey suggested that much work remains before business practices provide managers with a comprehensive and transparent look at "true" costs of processes and products. While most firms quantify the more obvious and measurable environmental costs, substantially fewer have grappled with those that were less tangible, uncertain, and difficult to quantify. Upgrading the capital budgeting system through improved environmental accounting systems is best viewed in the broader context of strategic planning. Many social benefits can be gained from improved internal environmental accounting.

Stasiskiene and Staniskis [16](2005) made a research study entitled "integration of environmental management accounting into company's environmental performance improvement system: case study of Lithuanian Industries". Recognizing the crucial role of environment management accounting can play in providing core information to evaluate a company's sustainable management, in September 2004 EMA methodology developed by LOW, Institute or Environmental Management and Economics, Vienna, Austria was introduced to representative of industrial companies in Lithunia. The pilot testing was performed in 18 economically significant Lithuanian industrial companies. Experience of the companies related to cleaner product investment project development and implementation was very important driver for increased awareness of their environmental responsibility and also contributed for a great interest in modern economically and environmentally sustainable solution and positive corporate culture. For introduction of EMA methodology conceptual approach was used which included the steps of training material, company case studies and further dissemination of EMA. This was followed by seminars. Following this data were collected from eight industrial companies. The author reported that "after interviews with the companies which participated in testing the EMA methodology, it can be concluded that they will be very active in implementing the methodology because they rapidly catch-up advantage and got unique ideas about how to use the developed data. However effectiveness of the measures identified applying EMA and efficiency of their implementation largely depend on integration of these measures in the overall strategy of enterprises and everyday activities. It means adequate changes are needed in the management system of a company e. .g new policy, new methods and new procedures. " He concluded that "there has been real progress in promoting environmental accounting system in Lithuania since 2003. Companies which participated in EMA methodology testing, have shown that environmental accounting system can provide accurate information for cost-benefit analysis in designing pollution abatement strategies. There are several factors essential to successfully implementing the environmental accounting system. Organizational and management commitment are among the most critical factors. Internal and external communications are also important since environmental accounting requires inputs from a wide variety of disciplines. Even with strong commitment, implementation remains challenging. Continuous effort is required to encourage businesses to implement the environmental accounting systems and basic principles of sustainable development."

Jurgens R.[17] (2006) made study on assessing the practical relevancy of environmental cost accounting for industrial waste, waste accounting, process efficiency, and cleaner productions. An empirical study was conducted with 20 Swedish industrial companies and production sites. The main findings of the research reported were "as expected, the gap between concepts developed by academics and what companies are doing in practices is big. Most companies and production sites reviewed do not have any cost accounting in place for processes waste, and consider it as an environmental issue to be kept under control rather than a production-related cost indicating existing inefficiencies in the manufacturing process. A majority of companies do not appear to have a strong interest in an enhanced information basis for decision making. Material flow management is an appropriate concept to generate the desired information. EMIS provide a necessary and useful support for all steps of materials flow management."

Prasad18 (2009), studied corporate environmental sensitivity in selected Indian companies. The objective of this study has been 1) to demonstrate the present practice of environmental accounting and reporting among Indian companies, 2) to establish environmental sensitivity of Indian company's visa-a-vis less environmental sensitivity of companies. 3. To analyse to what extent environmental sensitivity influence adoption of environmental accounting and reporting among Indian companies and 4) to provide a platform for further research and to stimulate Indian companies to adopt environmental accounting and reporting. The study was undertaken with two hypotheses namely H1 firms in environmentally sensitive industries are more likely to introduce environmental accounting procedures than firms in less environmentally sensitive industries and 2. Firms in environmentally sensitive industries are more likely to externally disclose environmental information than firms in less environmentally sensitive industries. The Data was collected through a mailed questionnaire to the Chief of Accounting and Finance Departments of 130 Indian companies listed on BSE $ NSE. The final sample included 59 firms identified as being involved in environmentally sensitive industries and 32 in less sensitive industries.. He concluded "in conclusion, the argument that 'environmentally sensitive' firms are more likely to develop environment accounting procedure is only supported for activities that are associated with significant environment related issues for the specific industries. Where issues are of general nature it appears that these firms are no more likely to develop such accounting processes. Hence the study provides no conclusive evidence that the environmental sensitivity of the firm's operations will necessarily result in increased likelihood of the development environment accounting procedures of general environmental issues. Such a result suggests that observations as to what motivates the external reporting process may not hold true for the development of internal management practices, indicating the need for further research as to what motivates firms to develop environmental accounting, auditing and reporting.

Various research in ISO 14001 shows advantage of ISO 14001 certification in improving firm's environmental performance (Morrow and Rondinelli (2002), Ammenberg and Sundin (2005). However Stasiskiene and Staniskis (2005) study showed that ISO 14001 is more a marketing strategy rather than commitment to improve environmental performance

RESEARCH PROBLEM

Most of the above EMA related studies are undertaken in developed countries. The existence of environmental management accounting is a first step to improve environmental as well as economic performance. Sustainability Reporting by leading Indian firms indicate their commitment for improvement of environmental performance. In light of these information it is likely that business firms have evolved their accounting system to provide information for environmental related decision making. Therefore, a need has been felt to study the environmental management accounting system - the existence of EMA in fragmented form or more integrated form either – among Indian companies and suggest improvement if any. The study is restricted to ISO 14001 companies. The rationale of choosing ISO 14001 Companies is that such companies have shown their commitment to improve its environmental performance. Being ISO 14001 certified, such companies have system in place for improving environmental performance on ongoing basis. The Environmental Management Accounting system, being designed for effective internal management of environmental and economic performances may be existing in organizations but may not be formally documented and/ or reported as it is not mandatory or felt necessary by organizations. EMA being a domain of accounting/ MIS/Costing /management accounting field may exist in ISO 14001 companies as a formal system- in fragmented way or more integrated way either. It is also likely that the accounting system is not so far evolved in the organization for environment-related information. However being ISO 14001 certified companies the necessary database is available with the companies and is also used by the management in operational and strategic decision making to improve environmental and economic performances.

Accordingly this study is entitled as "Study of Environmental Management Accounting Practices in select ISO 14001 Companies in India".

OBJECTIVE OF THE STUDY

The study seeks to get answer to the question "Is there existence of environmental accounting system to some extent in the organization?"

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HYPOTHESIS OF THE STUDY

The theoretical framework and literature review, helped to form the hypothesis for the study. Based on the available literature the following descriptive hypothesis was formulated:

H1. There is existence of Environment Management Accounting system in business units to some extent

DATA COLLECTION

The data about Environmental Management Accounting practices is collected from 32 ISO 14001 certified units/ sites of different companies by way of structured Questionnaire with closed ended questions. The questionnaire is based on guideline / best practices on EMA issued by IFAC and other literature. It was reviewed by two experts in the field and pilot tested in four units. After necessary changes as suggested, the final questionnaire has been circulated to 50 units having ISO certification as convenient sampling. After follow up 32 filled in questionnaire were received back. The responses were sought from the Environment manager as well as Accounts/ Costing Manager as the system can be applied by both or only by Environment manager/ Technical manager as a part of ISO 14001 EMS. The total actual score is taken after considering the response of both the respondents. The common response was adjusted to consider only once. Therefore, the total score here considers response of two stakeholders. If response of both respondents is same it considered as once only and if only one respondent gives positive reply that is considered. The reason for this is as the EMA may exist more on PEMA basis in production/ technical side without proper integration with Accounts/ costing manager or it may exist in account/ costing department with MEMA –cost information, without knowledge of / integration with Environment manager/ technical staff. The list of sample units is given in Annexure 1.

TABULATION OF DATA

TABLE 1: TABLE SHOWING VARIOUS DETAILS RELATED TO EMA SYSTEM AND PRACTICES

Particulars	Actual Score	Maximum Scores	Percentage of Maximum score
Adopted EA , formally or informally	30	32	94%
Purpose/s of Environmental Accounting as Environmental Reporting and internal decision making	148	256	58%
Environment related Internal Decision Making made	198	288	69%
Uses EMA data in various Place	73	160	46%
Scope of EA like Reporting or implementation of environment policy	47	64	73%
Different types of techniques use for EA like PEMA, MEMA, and environment Budget	48	96	50%
Training for EMA	25	32	78%
Total	570	928	61%

Source: Primary data collection

TABLE 2: TABLE SHOWING DETAILS OF PEMA SYSTEM AND PRACTICES OF SAMPLE UNITS

System and Practices of PEMA	Actual Score	Maximum Scores	Percentage of Maximum score
Use Materials, Energy, Water Flows for internal decision making	90	96	94%
materials flow Accounting done for Raw, Auxiliary, operating materials	106	128	83%
Site level used for getting PEMA data	32	32	100%
Use PEMA Indicators	28	32	88%
Use techniques for PEMA	31	32	97%
Total	287	320	90%

Source: Primary data collection

TABLE3: TABLE SHOWING DETAILS OF MEMA SYSTEM AND PRACTICES OF SAMPLE UNITS

System and practices of MEMA	Actual Score	Maximum Scores	Percentage of Maximum score
Environment Related cost-categories used	25	192	13%
Site level MEMA data availability	13	32	41%
Methods/ techniques like LCA, TCA, FCA, used for MEMA	11	32	34%
Incineration Plant	6	32	19%
Integration of PEMA & MEMA data for decision making	11	32	34%
Total	66	320	21%

Source: Primary data collection

TABLE 4: TABLE SHOWING SUMMARY OF USE OF EMA INFORMATION FOR STRATEGIC DECISION MAKING

Type of Strategic Decision	Actual Score	Maximum Score	Percentage of Maximum score
Use of environment aspects in supply chain management	30	32	94%
Rise in sales after adoption ISO 14001	31	32	97%
Gain in exports after ISO 14001 cedrtification	23	32	72%
Reduce Purchases of non-renewable materials	31	32	97%
Reduction in energy Uses	30	32	94%
Reduced use of traditional Energy	27	32	84%
Other actions to reduce environment Impact	23	32	72%
Achievements for Environment & Economic Performance	8	32	25%
TOTAL	203	256	79%

Source: Primary data collection

TABLE 5: TABLE SHOWING SUMMARY OF EMA SYSTEM AND PRACTICES

Particulars	Total Responses	Max. Score	Total Companies	Average	Percentage
EMA	570	928	32	17.82/29	61%
PEMA	287	320	32	8.97/10	90%
MEMA	66	320	32	2.06/10	21 %
EMA information for Strategic Decision Making	203	256	32	6.34/08	79 %
Total	1126	1824	32	35.19/57	62%

Source: Primary data collection

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HYPOTHESIS TESTING

H1   There is existence of Environment Management Accounting to some extent in ISO 14001 Certified Companies.

TABLE 6: STATISTICAL DATA OF ENVIRONMENT MANAGEMENT ACCOUNTING SYSTEM AND PRACTICES

Environment Management Accounting system and practices (EMA)	Chi-Square Value	Degree of Freedom	Significant Level (0.05)	Result
Value	2.75	3	7.81	Accept H1(2.75<7.81)

DISCUSSION

As shown in Table 6 Summary of Statistical Data the observed value of Chi-Square test is less than table value the hypothesis is accepted.   There exists a EMA system which is helpful in operational and strategic decision making. The PEMA is most used technique, while MEMA is not widely applied. This speaks of wide potential to further strengthen EMA systems in Indian companies. Application of MEMA and integration of PEMA and MEMA can bring more effectiveness in improving environmental and economic performance of the organizations.

LIMITATIONS OF THE STUDY

This study is limited to small sample size and therefore findings of the study cannot be generalized.

SUGGESTIONS FOR IMPROVEMENT OF ENVIRONMENTAL ACCOUNTING PRACTICES

The study provided insight about the present practices of EMA by Indian companies having ISO 14001 Certification. Based on the insight, the following suggestions are made:
1.   Use of MEMA for integrating environmental and economic performance is strongly recommended.
2.   The national accounting body like Institute of Cost and Works Accountants of India should issue the guideline on use of environmental accounting in line with international guideline on EMA and extend training for successful implementation of EMA.
3.   Better communication among technical people and accounting people /costing and MIS people is suggested to get full potential of EMA realized.

AREAS OF FURTHER RESEARCH

Based on this study the following area for further research is suggested:
1. Case study of implementation of environmental management accounting.
2. Study on the same line with large sample size.

CONCLUSIONS

The study has been undertaken to know the extent of EMA system and practices applied by select ISO 14001 certified firms to improve environmental and economic performances. The study revealed interesting outcome that majority of firms apply physical information for taking environmental related decisions. However, the extent of monetary information for the same is comparatively very less. This findings are in line with previous studies. The intervention of Institute of Cost and Works and Accountants of India for making wide application of MEMA and its integration with PEMA can go a long way in making EMA an effective tool for making Indian business firms sustainable. The issue of guideline on EMA in Indian context can be the right step in this direction.

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ORGANIZED RETAILING IN SMALLER CITIES - THE NEXT MOVE

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ABSTRACT

Retailing is the world's largest private industry with total sales of $6.6 trillion. In India too, the industry is large, accounting for around 10% of GDP which is the second largest after agriculture. India has one of the highest densities of retail outlets in the entire world. The organized retail space had increased to 16 million sq ft in 2008 from barely 1 million sq ft in 2002. International retail chains, such as Wal-Mart, Tesco etc. are waiting in the wings for Foreign Direct Investment (FDI) being allowed in multi-brand retailing. Even though the Indian market holds a lot of promise, the penetration of organized retail has been comparatively quite low in India. Till now, the primary focus of organized retail has been tier I cities, which are characterized by high purchasing power and increased awareness due to international exposure. As markets in metro cities face saturation, organized retailing is moving to non-metros to make the most of changing behavioral patterns brought about by increased earnings, western influences, increased number of working women and desire for luxury items. Consumers in small cities want to eat shop and get entertained under the same roof like their counterparts in the metros. This paper studies the changes taking place in Tier II and III cities and also the factors that have facilitated this transformation.

KEYWORDS

Metro cities, Non-Metro cities, Organized Retailing, Smaller cities, Tier II and Tier III cities.

INTRODUCTION

The Indian market is quite lucrative for global players in the retail sector, and India has been placed at second position in AT Kearney's annual Global Retail Development Index (GRDI) 2008. During three previous years up to 2007, India had occupied the top slot as the most attractive market for retail investment in the world.

There are mere than 12 million retail outlets in the country. Over the past decade, there has been rapid expansion of organized retail formats. The customer profile too is quite young and spending patterns have shifted upwards, thus creating a growing opportunity for the retailers to serve and delight the customers. While 50% of India's population is less than 25 years old, 70% is less than 35 years of age. The implication is that there is a large complement of young working population, thus, resulting in increased retail spending. The organized retailers aim to capture a progressively increasing share of the total retail pie. The large number of players entering organized retail at such a pace is a cause of concern for the unorganized retailers.

EVOLUTION OF INDIAN ORGANIZED RETAILING

The development of organized retail started comparatively late in India. Single brand retail chains (such as those of Raymond's, Liberty footwear and such others) began to find a foothold in the major metros during the 1980s, multi-brand retail chains came into the picture mainly during the 1990s. Shopping centers began to come up around 1995. Shopping malls and hyper markets have begun to evolve primarily during the new millennium. Now, several large Indian business houses have made a foray into retailing, with multiple formats and in varied product categories. Multinational retailers are also trying to edge their way into the Indian market in whatsoever manner the present foreign investment norms permit.

However, gradually the interest of retailers is shifting to tier I and II cities, which not only have a more price sensitive population as compared to the metros, but also a substantial number of well-to-do customers. Marketers are gradually waking up to two major realizations; the first being that the Indian middle class does not live in the metros alone. It is worthwhile to note that of the 80 million households that constitute the Indian middle class, only 25 million live in tier I cities, whereas 55 million reside in smaller cities and villages. The second realization is that the non-metros are not made up of poorer cousins of the people living in the metros. Luxury cars sell more in small cities than in the metros. Big Bazaar's single largest bill till date comes from its store in Sangli, a little known town in Maharashtra and not from Mumbai or Delhi. Visualizing the immense potential of tier II and III cities, most retailers are now treading the path to entice the consumers in these cities. Small-town India has become the next big destination for retail business.

SPREAD OF ORGANIZED RETAILING TO TIER II AND III CITIES

The mall and multiplex culture has caught the imagination of the country's smaller cities across Kanpur, Ahmedabad, Indore, Agra, Vadodara and Surat, which in turn has been powered by the increasing purchasing power of India's middle-class population. India, today, has as many as 200 malls spread across large and small cities. Another 700 are expected to come up soon, of which 40% will be in the smaller cities. Organized retailing is growing at a phenomenal pace of 50-60% per year in small cities as compared to 35-40% in the larger metros, due to increased prosperity, and improved lifestyle and standard of living of small town Indians. Organized retailers are trying to make the most of this opportunity and hope to exploit the first-mover advantage to establish strong brand loyalties in these relatively nascent markets.

TABLE 1: CLASSIFICATION OF CITIES AND TOWNS

Classification of cities and towns	Number of Cities	Population	Names of cities
Tier I : Major cities	8 cities	More than 4 million	Mumbai, Kolkata, Delhi,Chennai, Banglore, Hyderabad, Ahmedabad, Pune.
Tier II : Mainstream Cities	26 cities	More than 1 million	Surat, Kanpur, Nagpur, Lucknow, Jaipur, Kochi, Vadodra, Indore, Ludhiyana, Madurai, Bhopal, Patna, Nasik, Agra, Varanasi, Rajkot……
Tier III : Climbers	33 cities	More than 5,00,00	Tiruchirapalli, Amritsar, Faridabad, Aurangabad, Ahhahbad, Gwalior, Jodhpur, Raipur, Bhubaneshwar, Goa, Pondicherry, Aligarh, Moradabad, Manglore…
Tier IV : Small Towns	5094 towns	Less than 5,00,000	Rohtank, Rourkela, Udaipur, Anand, Hassan, Shimla……..

(Source: The Great Indian Middle Class, NCAER, MGI Analysis)

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CLASSIFICATION OF CITIES

The report titled National Survey of Household Income and Expenditure (NSHIE) identified two sets of key cities - the boom towns and the niche cities. Although the boom towns and niche cities are quite small in terms of population, income and spending as compared to the mega cities, their rate of growth is definitely encouraging for organized retailers.

The characteristics of the boom towns and niche cities as mentioned in the study are:

BOOM TOWNS

1. High expenditure per household
2. Emerging as the largest markets following the mega cities
3. Characterized by younger population
4. Fastest growth in disposable income since 2000

Surat, Kanpur, Jaipur, Lucknow, Nagpur, Bhopal and Coimbatore are the cities that constitute this group. Surat is the youngest city in this group with 64% of the population below 30 years of age. Its population size matches that of a mega city and the household income growth exceeds the urban average by a comfortable margin. The consumption market here already exceeds that of Ahmadabad and Pune.

NICHE CITIES

1. Somewhat smaller in terms of overall population, but still high on spending per   household
2. Household expenditure nearly the same as that found in mega cities
3. Have the highest spending propensity of the three city groups

Faridabad, Amritsar, Ludhiana, Chandigarh and Jalandhar are die cities in this group.

TABLE 2: MEGA, BOOM AND NICHE CITIES

City	Population 2007-08 (million)	Average Household Income (Rs. Per annum in 2004-05)	Average Household Expenditure (Rs. Per annum in 2004-05)
Mumbai	20.3	4,59,457	2,01,140
Delhi	15.5	4,08237	2,05,028
Kolkata	13.8	2,87,199	1,74,951
Chennai	6.9	3,37,059	1,55,286
Banglore	6.6	3,00,678	1,64,923
Hydrabad	5.7	2,73,353	1,49,251
Ahmedabad	4.8	3,17,856	1,34,497
Pune	5.1	2,10,458	1,26,958
Mega Cities	**78.6**	**3,54,090**	**1,76,977**
Surat	4.0	4,31,206	1,90,591
Kanpur	2.7	1,59,761	1,18,567
Jaipur	3.4	3,00,374	1,67,540
Lucknow	2.6	2,80,393	1,52,948
Nagpur	2.5	3,08,625	1,82,871
Bhopal	2.8	1,65,210	1,28,836
Coimbatore	1.7	2,19,846	1,52,050
Boom Towns	**19.8**	**2,83,071**	**1,59,407**
Faridabad	2.1	2,52,558	1,64,457
Amritsar	1.9	2,67,056	1,64,540
Ludhiyana	1.5	2,73,211	1,34,187
Chandigarh	1.1	4,84,775	2,12,805
Jalandhar	1.1	2,96,651	2,29,335
Niche Cities	**7.7**	**3,04,265**	**1,74,287**

(Source: www.fadaweb.com/twentycities_watch.htm)

The table provides much-needed insights into the spending and saving patterns as well as the changing demographics of these transforming cities. The data is a clear indicator of the trends attracting retailers to non-metros. It presents some interesting data on population, average household income and average household expenditure in 20 Indian cities, classified as mega cities, boom towns and niche cities.

TABLE 3: SHARE OF RURAL AND URBAN AREA

Share of Total %	Rural	Urban					All India
		Mega cities	Niche cities	Boom Towns	Other cities	Total Urban	
Households	69.3	8.1	0.7	1.9	20.1	30.7	100.0
Population	70.5	7.4	0.7	1.8	19.7	29.5	100.0
Income	56.0	24.6	1.7	4.5	13.1	44.0	100.0
Expenditure	63.9	16.4	1.3	3.4	15.0	36.1	100.0
Surplus Income	32.5	49.0	2.9	7.9	7.7	67.5	100.0

(Source**:** www.fadaweb.com/twentycities_watch.htm)

Above table provides summarized percentages indicating the share of households, population, income, expenditure and surplus income in these three classes of urban areas in comparison to the whole of India. This implies that around 70 % households reside in rural area. Their income and expenditure are also in proportion with the households. Consumers in small cities want to eat shop and get entertained under the same roof like their counterparts in the metros.

REASONS FOR SPREAD OF ORGANIZED RETAILING INTO SMALLER CITIES

There are numerous reasons that have led to the small cities becoming the center of attraction for organized retailers. Let us now look at some of these factors in greater detail.

   I.   Changing Demographics and Consumption Patterns

The Indian middle class accounts for 22% of the total population, and non-metros. Disposable incomes and aspirations of this class have shown considerable increase and fuelled consumption in these cities. The middle-class population exceeds 200 million.

   II.   Consumer Behaviour Trends

The behavior pattern displayed by small town consumers has undergone a sea change, the primary causes for this being the transition from an agricultural to a service economy, growth of backward classes, nuclearization of families, greater travel abroad, and the metros, the media and entertainment revolution.

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III.   **Abundant Availability of Skilled Labor**

Availability and cost of retail space is another major consideration n the development of organized re-;ailing. Prime locations in tier II and II cities are 30% cheaper than their counterparts in the metros. Average rental values for ground floor space :an be as low as Rs. 50-60 per sq ft a month, against Rs. 100-120 per sq ft in the bigger cities.

THE CONTRIBUTION OF SMALLER CITIES IN TOTAL ORGANIZED RETAILING

The contribution of smaller cities in total organized retailing was 15% in 2005 and is likely to grow much further. Vishal Retail, the Rs. 600 crores group opened its 100th retail outlet at Jabalpur in Madhya Pradesh. This was in line with the company's policy to expand its presence in the smaller cities. On similar lines, the Aditya Birla Group planned to invest more than $1.3 bn over a period of three years. The major focus areas identified by the Group are food, grocery and lifestyle. Reliance entered the non-metros attracted by low rentals. It is planning to start a hypermart chain in Ahmedabad following its success in Hyderabad. Woodland, a brand of the Aero Group, was earlier targeting only metros but following its success in tier I cities, it is now expanding to smaller cities as well. Making a beeline for the smaller cities, the garment retailer, Arvind Brands, is also planning to increase the number of outlets of its brands like Newport, Ruf n Tuf jeans and Excalibur shirts. With its low-end offering, the company intends to cater to consumers at the bottom of the pyramid and shift them from tailored to ready-made wear.

Not to be left behind, international players are also making a bee-line for the non-metros. Tommy Hilfiger India, which has entered into its second phase of expansion, is extending its footprint to tier II and tier III cities in the country. Reebok too is expected to follow this trend. Dominos was the first fast food chain that opened its outlets in smaller cities. Amazingly, its second highest sales in India were recorded in the industrial town of Kanpur, in Uttar Pradesh. Pizza Hut, owned by the global Yum's restaurant chain, has also become aggressive in its attempt to gain a foothold in the smaller cities. It expects a 20% growth from its outlets in these areas. Pizza Hut already has stores in cities like Jalandhar, Amritsar, Ludhiana, Meerut, Kochi, Mysore, Nasik, Coimbatore, etc. McDonald's fast food chain, which began its operations in New Delhi and Mumbai, is now expanding to the smaller cities of Punjab, Haryana, Uttarakhand and Himachal Pradesh, customizing its offerings and promotions to gain faster acceptance

THE ROAD AHEAD

The success of organized retailing in tier II and III cities rests largely on further development of appropriate infrastructure. The success of organized retailing across the world has been due to efficient management and development of the supply chain. In case of India, poor roads, shortage of power, poor integration of IT functions across the supply chain and non-cooperation between states has greatly hindered the development of an efficient supply chain. Organized retailing is able to pass on benefits of efficient sourcing to customers by improving supply chain efficiencies. Electronic Data Interchange (EDI), Radio Frequency Identification (RFID), Geographic Positioning System (GPS) and Electronic Fund Transfer (EFT) are technologies that form the backbone of an integrated channel system. However, all this requires infrastructure which is coming up gradually in most of the tier II and III cities.

Organized retailing requires considerable capital, and the business does not give immediate returns. Added to this, the non-cooperation displayed by some local governments - for instance, Reliance Retail faced obstacles in states like Uttar Pradesh and Orissa, makes the task of retailers all the more difficult. Organized retailing offers considerable advantages for the smaller cities. Besides being shopping destinations, they improve the standard of living of the local population by the practices of contract farming, local sourcing, aiding the growth of ancillary industries and by providing employment to locals. Farmers in Punjab have been greatly benefited by the arrival of large retailers like ITC and Reliance, who are creating a huge demand for fresh fruits and vegetables. These companies have signed agreements with farmers to source products directly from them.

Besides operational costs, another aspect that helps increase margins for retailers is the consumption of private labels. Small town markets provide greater opportunity for the growth of private labels. Due to the high awareness of national and international brands in the metros, most retailers have struggled to create successful private labels in heavily branded categories. The penetration levels of branded categories are lower in small cities, providing an opportunity for the retailers to fill the gap through their own labels. This makes operations in small cities more profitable as private labels provide greater margins.

The success of organized retailing is also dependent on an efficient logistics system. Rapid growth of the Indian retail sector has resulted in massive investments in logistics im-provement by companies like Concor, Gateway Distriparks Ltd (GDL), Allcargo, SICAL, Transport Corporation of India and Gati. Retail trade has also triggered growth across a host of organized ancillary industries, which include retail storage firms, supply chain management providers, retail design companies, manufacturers of air-conditioners, and IT hardware and software. Therefore, besides general transportation, Concor and SICAL are focusing on cold chain logistics, GDL and SICAL are looking towards container trains and TCI and Gati are focusing on warehousing. Hyderabad-based retail storage solutions major, Mekins Group, which boasts of a client list that includes retail majors like Pantaloon's Big Bazaar and Food Bazaar, RPG group's Giant and Food World, and Metro Cash & Carry, generated business worth Rs. 20.4 cr from its materials division last year. Thus, the spread of organized retailing into tier II and III cities holds benefits for all the concerned stakeholders. Earlier, marketers focused on the metros, which constituted 30% of the approximately Rs. 74,000 bn consumption market. However, they are now waking up to the fact that the remaining 70% of the consumption comes from the non-metros and the rural belt. This reiterates the fact that the might of the small cities is increasing, making them more lucrative to organized retailers.

CONCLUSION

The retail business scenario, as we see in India today, has evolved gradually in response to numerous environmental triggers, and is not an instant revolution of the twenty first century. The advent of organized retailing into smaller cities and the rural hinterland is a win-win situation for all the parties concerned. The retailers benefit from increased sales and higher profit margins for their premium brands and private labels by reaching out to the richer classes in the non-metros. The farmers and small and medium enterprises benefit as organized retailing makes sourcing possible at their doorstep. The establishment of logistics and warehousing systems reduce wastage and improve supply chain practices. Moreover, the threat of looming recession and closure of multiple stores in the metros makes it more important for retailers to spread their risks across geographies and not be confined only to the larger cities.

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MANAGERIAL CREATIVITY AND WORK MOTIVATION OF SECONDARY SCHOOL TRIBAL TEACHERS IN RELATION TO THEIR OCCUPATIONAL SELF EFFICACY

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PHAGWARA

ABSTRACT

The purpose of the study was to find out the difference in managerial creativity and work motivation of secondary school tribal teachers in relation to their occupational self efficacy. The study was descriptive in nature and conducted over a sample of 180 secondary school tribal teachers in Kulgam, Shopian and Anantnag districts of Jammu and Kashmir State. Both male and female tribal teachers were selected as a sample with equal distribution of 90 males and 90 females by using purposive sampling technique. For collection of data, the investigator has used Managerial Creativity scale, Work Motivation Questionnaire and Occupational Self Efficacy scale. For the purpose of analysis and interpretation data, the investigator has also used t-test and co-relation. The results of the study were: (a). There exists a significant difference in managerial creativity of secondary school male and female tribal teachers, (b). There exists a significant difference in work motivation of secondary school male and female tribal teachers, (c). There exists no significant difference in occupational self efficacy of secondary school male and female tribal teachers, (d). There exists positive relationship between managerial creativity and occupational self efficacy of secondary school tribal teachers, (e). There exists positive relationship between work motivation and occupational self efficacy of secondary school male tribal teachers, (f). There exists positive relationship between work motivation and occupational self efficacy of secondary school female tribal teachers.

KEYWORDS
Managerial Creativity, Work Motivation, Occupational Self- Efficacy.

INTRODUCTION

Creative teaching is a highly complex endeavour that requires a broad array of skills and dispositions. Contextual pressures on educators largely prescribe the most effective pedagogical work processes. The immediate classroom context demands exceptional plans and managerial skills, facilitative leadership, flexibility, pattern perception, and intuitive capacities. The large, societal context often pressures teachers to confine their practice to insular, one-sided perspectives on teaching and learning. Non-reflective compliance with dogmatic philosophies or ideologies and insular practices eroded the professional decision making that underpins instructional creativity. The most creative teachers preserve their professionalism by finding artful ways to keep their students creative, even in confining conditions. Creative teaching demands exceptional breadth of skills and entails the implicit invitation to develop many of these skills to very high levels of proficiency. Some of this breadth derived from the multifaceted nature of teachers work and the diverse professional roles they fulfil. A typical teacher is responsible for short and long-range planning, diagnosis of students, development levels and learning differences; motivation, discipline, counselling, strategic implementation of diverse, complex instructional strategies, public-relations initiatives, and artful problem solving. An effective teacher handles all of this while mastering, to the extent possible, the most salient knowledge within one or more academic disciplines. Creativity needs to be buttressed by support from the organisation and good managerial skills to obtain good results. It is also asserted that encouraging creativity and innovation provides opportunities for managers to influence the course of organisational productivity.

Creativity in Management is advanced as referring to the ability to solve problems in an exceptionally competent and original way. Managerial creativity is described as the process of employing playfully exploratory rather than a mechanical approach in problem solving by a person who is open, curious and imaginative to find solution or designs that are novel and useful for the process of planning, organising, implementing and controlling to determine and achieve the organisational objectives in a dynamic environment. In a nutshell, managerial creativity refers to the novel multidimensional and fluent ideas related to different functions of management. It involves creative behaviours of manager which produce interesting or useful novelty. Creativity has been defined in many ways, ranging from "spark of genius", "super energy", "divergent thinking" to the problem solving process for novel and valuable output by a large number of scholars.

Gundry et al, (1994) have taken four perspectives of creativity and grouped them into following categories:

- The attribute theory holds that specific characteristics and traits predispose an individual to be perceived as "creative".
- The conceptual skill theory focuses on cognition, an act of awakening new thoughts, reassembling old learning and examining assumptions to new theories, new paradigms and new awareness.
- The behavioural theory centres on the actions and activities that bring something new into being.
- The process theory holds that creativity is a highly complex, multifaceted phenomenon that relies on individual talents, skills and actions as well as organisational conditions.

Together with these perspectives describe that an individual who has some creative attributes along with specific skills may become predisposed to perform creativity. Amabile (1997) is of the views that intrinsic motivation principle of creativity applies not only to scientific creativity, but to business creativity as well. She proposes that all humans with normal capacities are able to produce at least moderately creative work in some domain many a times and that the social environment (the work environment) can influence both, the level and frequency of creative behaviour. Her componential theory of individual creativity includes three major components, each of which is necessary for creativity in any given domain: expertise, creative thinking skill and intrinsic task motivation. It suggests that creativity is most likely to occur when people's skills overlap with their strongest intrinsic interests and their deepest passions.

Motivation is one of the most basic elements of human behaviour. Motivational theories attempt to explain how effort is generated and channelled (Werner and De Simone, 2006). Therefore, researchers and practitioners alike have devoted a considerable amount of energy to understanding teachers" motivation. However, considering the multiple tasks that teachers have to perform, it may be difficult to identify with precision the motivational processes underlying each given task and their relative impact on teachers' psychological functioning. Self-efficacy is the people's beliefs about their capabilities to produce designated levels of performance that exercise influence over events that affect their lives. Self-efficacy beliefs determine how people feel, think, motivate themselves and behave. Such beliefs produce these diverse effects through four major processes. They include cognitive, motivational, affective and selection processes. A strong sense of efficacy enhances human accomplishment and personal well-being in many ways. People with high assurance in their capabilities approach difficult tasks as challenges to be mastered rather than as threats to be avoided. Such an efficacious outlook fosters intrinsic interest and deep engrossment in activities. They set themselves challenging goals and maintain strong commitment to them. They heighten and sustain their efforts in the face of failure. They quickly recover their sense of efficacy after failures or setbacks. They attribute failure to insufficient effort or deficient knowledge and skills which are acquirable. They approach threatening situations with assurance that they can exercise control over them. Such an efficacious outlook produces personal accomplishments, reduces stress and lowers vulnerability to depression.

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In contrast, people who doubt their capabilities shy away from difficult tasks which they view as personal threats. They have low aspirations and weak commitment to the goals they choose to pursue. When faced with difficult tasks, they dwell on their personal deficiencies, on the obstacles they will encounter, and all kinds of adverse outcomes rather than concentrate on how to perform successfully. They slacken their efforts and give up quickly in the face of difficulties. They are slow to recover their sense of efficacy following failure or setbacks. Because they view insufficient performance as deficient aptitude it does not require much failure for them to lose faith in their capabilities. They fall easy victim to stress and depression. Bandura (1997) has described self efficacy as, "the belief in one's capability to organize and execute the courses of action required to produce given attainments." According to him, the concern of self-efficacy is with the judgments of what an individual can do in some situations or domains with the skills that he/she possesses. Furthermore, self efficacy as a domain-specific construct has been understood as the belief of an individual about his/her competence in a particular domain or context. Although relatively unexplored, the construct of occupational self-efficacy has many implications for organizations. Empirical research reveals that occupational self efficacy is positively related with many organizationally relevant variables, such as organizational commitment, job satisfaction, and preparedness for organizational change (Schyns, 2004; Schyns & von Collani, 2002). The most general self efficacy assessments consist of an omnibus- type instrument that attempts to measure a general sense of confidence. Bandura (1986, 1997) argued that such general measures create problems of predictive relevance and are obscure about just what is being assessed. Marlatt, Baer and Quigley (1995) studied the influence of efficacy beliefs on the resistance of drug use, changing of use of habits and relapse prevention; they found out that self efficacy affects controlled use or abstinence and coping with the relapses. Self efficacy is commonly understood as being domain specific that is one can have more or less firm of self beliefs in different or particular situations of functioning. But some researches have also conceptualized a generalized sense of self efficacy. It refers to a global confidence in one's coping ability across a wide range of demanding or novel situations. General self efficacy aims at a broad and stable sense of personal competence to deal effectively with a variety of stressful situations (Schwarzer, 1994). Bandura (1997) argued that efficacy beliefs are multifaceted and contextual, but the level of generality of the efficacy items within a given domain of functioning varies depending on the degree of situations, resemblance and foresee ability of task

In the light of above discussion, the study will be significant for following reasons; (a) it will be of value to both current and prospective practioners. If a relationship will exist between the managerial creativity, work motivation and occupational self efficacy of teachers in actuality, then school teachers as responsible bodies of schools will get direction to modify their own administrative behaviour, to promote a more positive and productive work motivation and occupational self efficacy in their specific schools; (b) The results of this research will be used in teacher preparation programs and other school development related strategies and policies. Therefore, the study has immense importance to study the unbalanced managerial creativity leads to unproductive work motivation and occupational self efficacy results into lower performance and productivity of other school bodies and associates.

OBJECTIVES OF THE STUDY
o   To study the managerial creativity of secondary school male and female tribal teachers.
o   To study the work motivation of secondary school male and female tribal teachers.
o   To study the occupational self efficacy of secondary school male and female tribal teachers.
o   To find out the relationship between managerial creativity and occupational self-efficacy of   secondary school tribal teachers.
o   To find out the relationship between work motivation and occupational self-efficacy of secondary school male tribal teachers.
o   To find out the relationship between work motivation and occupational self-efficacy of secondary school female tribal teachers.

HYPOTHESES OF THE STUDY
o   There exists no significant difference in managerial creativity of secondary school male and female tribal teachers.
o   There exists no significant difference in work motivation of secondary school male and female tribal teachers.
o   There exists no significant difference in occupational self-efficacy of secondary school male and female tribal teachers.
o   There exists no significant relationship between managerial creativity and occupational self- efficacy of secondary school tribal teachers.
o   There exists no significant relationship between work motivation and occupational self- efficacy of secondary school male tribal teachers.
o   There exists no significant relationship between work motivation and occupational self- efficacy of secondary school female tribal teachers.

DELIMITATIONS OF THE STUDY
The present study was delimited to:
o   Kulgam, Anantnag and Shopian districts of Jammu and Kashmir only;
o   It was further delimited to 180 teachers (90 male and 90 female teachers) only;
o   It was further confined to three variables i.e. Managerial Creativity, Work Motivation and Occupational Self Efficacy only.

RESEARCH METHOD
For the present study descriptive survey method has been used by the investigator.

SAMPLING
The sampling frame of the present study comprises all the tribal secondary school teachers working in government secondary schools in Kulgam, Anantnag and Shopian districts of Kashmir valley. The investigator has also taken 180 tribal teachers (90 male and 90 female) as sample for his investigation by using Purposive random sampling technique. The investigator has randomly selected the sample districts and for the availability of tribal teachers, the investigator has purposively taken some schools.

TOOLS USED
Following standardized tests has been used by the investigator for collection of data:
o   Managerial Creativity Scale (MCrS): by Sangeeta Jain, Rajnish Jainand and Upinder Dhar
o   Work Motivation Questionnaire (WMQ): by K. G. Agarwal.
o   Occupational Self Efficacy Scale (OSES): by Sanjyot Pethe, Sushama Chaudhari and Upinder Dhar.

STATISTICAL TECHNIQUES USED
Following statistical techniques were used by the investigator for analysis and interpretation of data:
(a) t-test
b) Co-relation

RESULT ANALYSIS AND MAIN FINDINGS
RESULT PERTAINING TO MANAGERIAL CREATIVITY OF SECONDARY SCHOOL TRIBAL MALE AND FEMALE TEACHERS
To find out the difference in managerial creativity among tribal secondary school male and female teachers, t-test was computed and the result is presented in table no.1

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TABLE NO. 1: RESULTS OF T-TEST ON MANAGERIAL CREATIVITY OF MALE AND FEMALE TRIBAL SECONDARY SCHOOL TEACHERS

Gender	N	Mean	SD	SE_d	t- ratio
Male	90	94.44	13.09	1.89	2.29
Female	90	98.78	12.26		

Level of significance at 0.05= 1.97, Level of significance at 0.01 = 2.60

The table no.2 depicts that the obtained t-ratio is 2.29 which is significant at 0.05 levels. Therefore, it can be interpreted that there exists significant difference in managerial creativity of male and female tribal secondary school teachers. Hence, Ho is rejected.

RESULT PERTAINING TO WORK MOTIVATION OF SECONDARY SCHOOL TRIBAL MALE AND FEMALE TEACHERS

To find out the difference in work motivation among tribal secondary school male and female teachers, t-test was calculated and the result is presented in table no.2

TABLE NO. 2: RESULTS OF T-TEST ON WORK MOTIVATION OF MALE AND FEMALE TRIBAL SECONDARY SCHOOL TEACHERS

Gender	N	Mean	SD	SE_d	t- ratio
Male	90	92.15	16.20	2.42	2.80
Female	90	98.95	16.29		

Level of significance at 0.05= 1.97, Level of significance at 0.01 = 2.60

The table no.2 reveals that the obtained t-ratio is 2.80 which is significant at both the levels. Therefore, it can be interpreted that there exists significant difference in work motivation of male and female tribal secondary school teachers. Hence, Ho is rejected.

RESULT PERTAINING TO OCCUPATIONAL SELF-EFFICACY OF SECONDARY SCHOOL TRIBAL MALE AND FEMALE TEACHERS

To find out the difference in occupational self-efficacy among tribal secondary school male and female teachers, t-test was applied and the result is presented in table no.3

TABLE NO. 3: RESULTS OF T-TEST ON OCCUPATIONAL SELF-EFFICACY OF MALE AND FEMALE TRIBAL SECONDARY SCHOOL TEACHERS

Gender	N	Mean	SD	SE_d	t- ratio
Male	90	73.43	11.80	1.64	0.25
Female	90	73.86	10.16		

Level of significance 0.05= 1.97, Level of significance 0.01 = 2.60

The table no.3 depicts that the obtained t-ratio is 0.25 which is not significant at both the levels. Therefore, it can be concluded that there exists no significant difference in work motivation of male and female tribal secondary school teachers. Hence, Ho is accepted

RESULT PERTAINING TO THE RELATIONSHIP BETWEEN MANAGERIAL CREATIVITY AND OCCUPATIONAL SELF-EFFICACY OF MALE AND FEMALE TRIBAL SECONDARY SCHOOL TEACHERS

To find out the relationship between managerial creativity and occupational self-efficacy of male and female tribal secondary school teachers, Pearson's co-efficient of correlation was calculated and the result is presented in table no. 4

TABLE NO. 4: RESULT OF CO-EFFICIENT OF CORRELATION BETWEEN MANAGERIAL CREATIVITY AND OCCUPATIONAL SELF-EFFICACY

Variables	Gender	N	df	Co-efficient of correlation	Result
Managerial Creativity	Male	90	89	0.41	Significant at 0.05 and 0.01 level
Occupational Self-efficacy	Female	90			

Table value at 0.05 and 0.01 levels of significance is 0.138 and 0.181

The table 4 depicts that the co-efficient of correlation between managerial creativity and work motivation of tribal secondary school male and female teachers is .41 which is significant at both the levels. Therefore, it can be interpreted that there exists positive significant relationship between managerial creativity and occupational self-efficacy among male and female tribal secondary school teachers.

Result pertaining to the relationship between managerial creativity and work motivation of secondary school tribal teachers

To find out the relationship managerial creativity and work motivation of male and female tribal secondary school teachers, Pearson's co-efficient of correlation was calculated and the result is presented in table no.5

TABLE NO. 5: RESULT OF CO-EFFICIENT OF CORRELATION BETWEEN MANAGERIAL CREATIVITY AND WORK MOTIVATION AMONG TRIBAL SCHOOL MALE AND FEMALE TEACHERS

Variables	Gender	N	df	Co-efficient of correlation	Result
Managerial Creativity	Male	90	89	0.24	Significant at 0.05 level
Work Motivation	Female	90			

Table value at 0.05 and 0.01 levels of significance is 0.138 and 0.181

The table no. 5 depicts that the co-efficient of correlation between managerial creativity and work motivation of tribal secondary school male and female teachers is .41 which is significant at 0.05 both the levels. Therefore, it can be interpreted that there exists positive significant relationship between managerial creativity and work motivation among male and female tribal secondary school teachers.

RELATIONSHIP BETWEEN WORK MOTIVATION AND OCCUPATIONAL SELF- EFFICACY OF SECONDARY SCHOOL MALE TRIBAL TEACHERS

To find out the relationship work motivation and occupational self-efficacy among male and female tribal secondary school teachers, Pearson's co-efficient of correlation was calculated and the result is presented in table no.6

TABLE NO. 6: RESULT OF CO-EFFICIENT OF CORRELATION BETWEEN WORK MOTIVATION & OCCUPATIONAL SELF-EFFICACY AMONG TRIBAL SCHOOL MALE AND FEMALE TEACHERS

Variables	Gender	N	df	Co-efficient of correlation	Result
Work Motivation	Male	80		0.41	Significant at 0.05 and 0.01 level
Occupational Self-efficacy	Female	80			

Table value at 0.05 and 0.01 levels of significance is 0.138 and 0.181

The table no. 6 depicts that the co-efficient of correlation between work motivation and occupational self-efficacy among tribal secondary school male and female teachers is .41 which is significant at both the levels. Therefore, it can be interpreted that there exists positive significant relationship between work motivation and occupational self-efficacy among male and female tribal secondary school teachers.

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RESULT OF t-TEST

o   There exists a significant difference in managerial creativity of secondary school male and female tribal teachers. The main reasons which are responsible for that the female teachers use novel ways to achieve organisational goals as compared to male teachers. They possess managerial competence and divergent thinking to the problem solving process.

o   There exists a significant difference in work motivation of secondary school male and female tribal teachers. The main reason behind the same is that female teachers get easily motivated towards their academic tasks as compared to male teachers. They are very cooperative, responsible and confident and are well satisfied with their job.

o   There exists no significant difference in occupational self efficacy of secondary school male and female tribal teachers. The main reason being that both male and female teachers are occupationally efficient. They are satisfied with their job, interested in taking challenges, free to act and develop skills and abilities. They are aware of their responsibilities, loyalties, and tolerant towards their work.

o   There exists positive relationship between managerial creativity and occupational self efficacy of secondary school tribal teachers. The reason being that the tribal teachers have divergent thinking to the problem solving process, they are innovative and prefer to learn through free exploration. Tribal teachers are capable to organize and execute the courses of action required to produce given attainments.

o   There exists positive relationship between managerial creativity and work motivation of secondary school male tribal teachers. The main reason being that tribal teachers are satisfied with their job, interested in taking new challenges, free to act and develop skills and abilities. They are aware of their responsibilities, loyalties, and tolerant towards their work.

o   There exists positive relationship between work motivation and occupational self efficacy of secondary school female tribal teachers. The reason behind that the female teachers are competent in creative learning and in occupational self efficacy. They are satisfied with their job, interested in taking new challenges, free to act and develop skills and abilities. They are aware of their responsibilities, loyalties, and tolerant towards their work.

LIMITATIONS

From the present study, the researcher considered the following limitations:

o   Collection of data within a stipulated period of time from different districts is one of the limitations.

o   Some teachers were feared from higher authority and hesitated to give their own personal views. This may also cause variation in the result.

o   As the language of the items of the scales was very difficult to be undertaken by some respondents. It also creates major barrier during data collection.

o   There are total 22 districts in Jammu and Kashmir State, but the study was restricted to Kulgam, Anantnag and Shopian districts only. It can be studied on other districts also.

o   Only tribal teachers were included in the sample. Other castes were not taken in the study.

SUGGESTIONS

The suggestions for further research that could be undertaken by perspective of researchers are:

o   The further study can be conducted on a large sample.

o   A Comparative study may be conducted to find out managerial creativity and work motivation of secondary school tribal teachers in relation to their occupational self efficacy.

o   A similar study can be conducted on large scale at other state, covering all the districts of the particular state.

o   A similar study may be conducted to find out managerial creativity and work motivation of secondary school rural and urban teachers in relation to their occupational self efficacy.

o   A similar study can be carried out on Primary, Elementary, Higher Secondary and college level teachers.

o   A similar study can be conducted keeping in view the other castes also.

RECOMMENDATIONS

o   The secondary school teachers should be energetic, punctual, honest, cooperative and creative. They are supposed to be highly educated with sufficient scientific knowledge about the growing discipline of educational administration.

o   The male teachers should use novel ways to achieve organisational goals. They should be cooperative, responsible and well satisfied with their job.

o   Training agencies may arrange training programs for the professional development of the teachers on large scale. In such agencies qualities, like satisfaction with job, assignment planning, trust and confidence, group cooperation, managerial creativity, motivation towards work and responsibility should be imbibed among them.

o   Training institutions especially National University of Educational Planning and Administrations (NUEPA), National Council for Educational Research and Training (NCERT), Institute of Management for Planning and Administration (IMPA), State Institute of Education (SIE) etc. should augment the training programme to tribal teachers.

o   Monthly regular and fair assessment of teachers especially of the tribal community would be of great value in the evaluation of their performance. So for this purpose a proforma for monthly evaluation of teachers" performance may be developed.

o   Un-necessary duties and meetings should be avoided in order to reduce the pressure of the office work. This is necessary for the teachers to devote maximum time to academics for enhancing managerial creativity, work motivation and occupational self efficacy.

o   Programs to increase the managerial creativity, work motivation and occupational self efficacy of teachers should be launched by government and private managements so to get the maximum productivity in the form of performance of teachers.

o   It is strongly recommended that every secondary school should have guidance and counselling centre run by qualified and trained counsellors to overcome the problems of students.

o   The tribal teachers should be given special incentives, promotion in order to reward their performance in their field.

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ENHANCING BRAND VALUE THROUGH CSR

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ABSTRACT

CSR works as a powerful strategic weapon for leading companies when they communicate brand values to consumers. Various studies, surveys and researches conducted at different points of time and in different countries indicate very clearly that the companies that spend more on CSR are preferred by consumers and enjoy good reputation socially also. The present paper aims to highlight the efforts of Indian companies being exerted on CSR and their rating. The voluntary nature of these activities paves the way for brand-building purposes, companies hope that consumers will take these activities at face value and attribute positive characteristics to the company resulting in favourable evaluations, acquisition of new customers, and increased loyalty. An attempt has been made to find out relationship among CSR activities and brand value from consumer's point of view. Finally, some suggestions have been enumerated for companies with low CSR rating to enhance it.

KEYWORDS

CSR, Brand value, corporate sustainability, CSR initiatives, Stakeholders.

INTRODUCTION

In today's competitive market, companies that incorporate social and green policies can leave a lasting impression on the consumer. In crowded marketplaces, companies strive for a unique selling proposition that can separate them from the competition in the minds of consumers. CSR can play a role in building customer loyalty based on distinctive ethical values. Business service organizations can benefit too from building a reputation for integrity and best practice. A company which is socially responsible should go beyond traditional reputation considerations and be directly related to its business continuity, employee morale and market expansion. Social responsibility means going beyond compliance and investing more in human capital, environmental protection and relation with stakeholders. It means commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. It not only helps them to improve the economic and social standard of the community but also improving their brand value in market which in turn maximize the profit of the concern.

According to the 2010 Edelman good purpose study, eighty-six percent of citizens globally believe that business needs to place at least equal weight on society's interests as on those of business. According to Burkely survey, growing evidence shows that cause branding also positively effects Generation X and Y stock purchases. For companies courting consumers and investors in their 20's and 30's, CSR is now an important decision point. The United Nations Secretary General, Kofi Anan propounded the concept of global compact stating that the world should focus on four basic pillars for survival – human rights, labour rights, environment protection and anti-corruption measures. CSR is also considered as important weapon for business strategies. With increasing and widespread commitment of corporate resources to CSR, attention is now shifting to the strategic formulation, implementation and measurement of the market returns to CSR initiatives. But companies are still concerned with whether their focus on "doing good" will provide positive returns to their CSR actions. By using brand value as a measure of corporate performance – an appraisal can be made to answer the question of whether CSR pays off or not.

Over the years, progressive organizations have demonstrated several laudable examples of responsible corporate action for social development. Today, consumers and the public expect companies to operate with specific boundaries with respect to human health, the environment and social responsibility. They are judging actions on more and more criteria and adding brand performance to the expected components of a company's licence to operate. Increasingly, companies are working to meet those demands by expanding their success metrics to include measures to enhance brand value of the firm. They are doing their best by meeting the environmental and social procurement criteria of institutional customers, shifting from governmental regulation to a new era of partnering for sustainability and responding to increasing concerns from consumers and local communities about the human health impacts of products, operations and facilities. Unfortunately, it has always been difficult to measure the difference it creates for brands in a nation as large and diverse as ours.

OBJECTIVES OF THE STUDY

1. To find out if any relationship exists among CSR activities and brand value from consumer's point of view.
2. To highlight efforts of Indian companies being exerted on CSR and their rating.
3. To enumerate some suggestions for companies with low CSR rating to enhance it.

RESEARCH METHODOLOGY

In this paper both primary and secondary data has been used. The secondary data of selected companies is collected to analyse the efforts of companies being exerted on CSR. This paper pre-supposes that good social performance leads to enhanced brand value and conversely, brand value positively influences social performance. To establish this pre-supposition, opinion was collected from 100 respondents (divided into 5 categories i.e. Chartered Accountants, Academicians, Businessmen, Managers and Housewives on convenience sampling basis) with help of a set of questions related with the issue. Data of secondary nature has been explored from selected companies web-sites, books and journals. A sample of top 20 companies of India has been selected on the basis of CSR rating as per year 2009-10, given by a report prepared by Karamayog, the convenor of the NGO council. Karamyog has given rating to the companies on two bases. First is the steps taken by a company to neutralize, minimize or offset the harmful effects caused by its processes and product usage. Second is steps a company takes using its resources, core-competence, skills, location and funds for the benefits of people and environment. Attempts have been made to compare on the basis of %age expenditure on CSR efforts and CSR rating. Parameters related to enhancing brand value and CSR rating have been analysed by Garrett's ranking technique. Respondents ranks have been converted into score value with the help of formula:-

$$\text{Percent Position} = \frac{100\,(R_{ij} - 0.5)}{N_j}$$

The percent position of each rank thus obtained was converted into scores by referring to the table given by Henry Garrett. Mean scores calculated by dividing the number of respondents, were arranged in the order of their ranks and inferences were drawn.

REVIEW OF LITERATURE

Different terms in the literature describe the phenomena related to corporate responsibility in society: corporate social responsibility, corporate citizenship, corporate philanthropy, corporate giving, corporate community involvement, community relations, community affairs, global citizenship, corporate societal marketing, social issues management, stakeholder management, corporate accountability, and corporate sustainability (Garriga & Mele, 2004; Kotler & Lee,

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2005). The criteria of CSR may change between generations and cultures and is different in Europe (welfare society) and the United States than in developing countries. Previous research indicates that these differences exist because of differences in culture, economic development, legal and political environment, organizational, ethical climate, and gender (Juholin, 2004).

An experimental study resulted (Mohr and Webb 2005) that CSR had an important and positive influence on company evaluation and purchase intent. Their results showed that American consumer's "reacted more strongly to negative than to positive CSR" and that a "low price did not appear to compensate for a low level of social responsibility". Academic researchers, on the influence of corporate associations in consumer response, "have found that associations with a company's corporate ability and its corporate social responsibility both influence product evaluations but that corporate ability associations have a stronger effect than CSR associations". (Berens, 2005).

A study (Jose, Ignacio Gala, 2009) on taking a sample of a selected group of US corporations with the best global brands through the provisions of empirical indications revealed that CSR pays off. The results also indicated that market-based performance and the size of the corporation have more significant impact on brand value than CSR. It was also suggested that when optimally used, CSR's potential contribution to brand value can be maximized.

CSR (Siegel and Vitaliano 2007) occurs when firms engage in activity that appears to advance a social agenda beyond that which is required by law. In fact CSR occurs when firms spend money for a social cause, sacrificing profits.

The businessmen believe that they are defending free enterprise when they declaim that business is not concerned 'merely' with profit but also with promoting desirable 'social' ends; that business has a 'social conscience' and takes seriously its responsibilities for providing employment, eliminating discrimination, avoiding pollution and whatever else may be the catchwords of the contemporary crop of reformers. (Friedman, 1970).

It is not surprising that still the major problems which are faced by urban population are pollution, roads and power as compared to least concern area which is communication and education. The survey done on the perception of respondents towards corporate for fulfilling social needs evidently proves that CSR is highest in India in the factors which is education and communication which is always identified as the most important development concern by the government. (Dawar and Chattopadhay, 2000).

Sunder, Srivastava and Venkateshwaran (2000), CSR is not a new concept in India. It has been well established in India by the organizations having strong values for families. Historically also CSR has been a strong influence on business, government and society. Kumar et al (2001) suggests that four models of CSR can be identified in India:

- Voluntary commitment to public welfare based on ethical awareness of broad social needs (The Gandhian Model).
- State driven policies including state ownership and extensive corporate regulation and administration (The Nehru Model).
- Corporate responsibility primarily focused on owner objective (Milton Friedman Model).
- Stakeholder responsiveness which recognizes direct and indirect stakeholder interests (The Freeman Model). The Friedman model can be more influential compared to all previous models.

Representing particular stakeholder issues, non – governmental organizations have challenged corporate reporting of social and environmental performance and demanded independent monitoring of social issues, as well as audits of social and environmental reporting processes. (Gupta, 2001).

Pressure from the community and the government is forcing business houses to undertake CSR activities with a greater degree of seriousness. The government wants that CSR should not be limited to merely planting a few trees or educating a few children. It wants business to draw up a plan for the next 50 years "to do something big" for the people. The corporate and the government should try to build up a relationship between the business and the society. The concept of corporate social responsibility (CSR) has so far failed to take deep root in India because the nomenclature is not properly defined (Kumar, Suresh, 008). The CSR is in a nascent stage. Much needs to be done to bring changes in attitude towards CSR and bring awareness among the corporate about their social responsibilities. The market economy has paved the way for enterprise-led development and a new cultural perspective is taking place in Indian business environment that has a strong bearing on social responsibilities (Adawal Shankar, 2008).

The past 15 years have witnessed an important change in the way many business people relate to the social and environmental performance of their companies. In the early 1990s, there were few executives who would accept responsibility for the social and environmental impacts of their companies beyond legal compliance. Today this has changed for many industries in many parts of the world. Thousands of companies now publish annual reports detailing their social and environmental contributions, and tens of thousands of firms have been certified as compliant with a range of independent voluntary standards like health, education, employment, income and quality of life. It should be binding on the corporate sector to work on the aspects (Jem Bendell, 2008) which are thought to be primary social indicators. They have enough money to serve the nation on the above segments of the society. They should not forget that if general health of the mass were good, they would have better buying capacity. (Adawal Shankar, 2008).

Public Sector companies and government are continuously introducing reforms to achieve the balance but it seems that it is not sufficient to bring revolutionary changes in the social progress. So there is urgent need that all stakeholders in national economic development put synergistic effort to create a impact. This balancing has to be achieved or growth has to be stabilized in respect to social growth else the divergence between them will cross a threshold and after that a downfall will come which will lead to a stagnancies in growth (Verma Sanjeev, 2008).

The Company's CSR teams at all manufacturing divisions interact with the neighbouring community on regular basis. The company takes pride in the fact that its CSR representatives are known by their first names in the regions that it operates (Reliance Communications, CEO 2008).

Debates have continued about whether CSR has a future or not, and whether its future suggests a completely new way of approaching business, rather than being an add on. For instance, some have argued that CSR has little future, as what consumers want, and what society needs as a whole, are authentically good products and services that arise from a responsible entrepreneurship (Joseph, Pune and James Gilmore, 2008).

Social responsiveness is when a firm engages in social actions in response to some popular social needs. Managers in socially responsive organizations are guided by social norms and make practical decisions about the societal actions in which they engage. The money provided for social fund does not shatter the company, rather good for a long run existence of the company (Robbins, 2008). It is moral responsibility and gratitude of the firm to contribute for the social cause. The company undertakes a social audit in order to measure the social impact of firm's activities. Moreover, it creates better environmental conditions and improves the public image of enterprise (Ashwa Thappa, 2009).

Corporations behaving' in socially responsible way not transgress the law and take a positive impact by voluntarily contributing to various social and environmental causes enhance brand awareness and image resulting in building brand equity (Hoefffler & Keller, 2002).

(Bhattacharya and Sen, 2007) suggest that "a CSR initiative could build consumer trust as it signals that the company is serious about bettering social welfare (the benevolence dimension of trust) and is competent in effecting positive social change (the credibility dimension of trust). This view has been echoed in the management literature indicating that the strategic use of CSR policy is positively related to reputation (Fombrun, 1996). Researchers now convincingly argue that the issue is not whether a corporation should be socially responsible (Smith, 2003); the issue is how to conduct these initiatives to have maximum impact on the constituents (Keller & Lehmann, 2006).

CSR activities for brand building purposes include, but are not limited to, sponsorships and philanthropic initiatives, cause-related marketing, advocacy advertising and employee participation in supported programs. Sponsorships and philanthropic initiatives are direct donations by the companies to support a certain cause such as donations to schools or sponsorships of cultural activities. Cause-related marketing is characterized by a company's product linked to a certain cause. Although all these activities vary in terms of the level of commitment expected from the corporation, they are all voluntary activities. (Krishnan, 2006).

The voluntary nature of these activities paves the way for brand-building purposes. Companies hope that consumers will take these activities at face value and attribute positive characteristics to the company resulting in favourable evaluations, acquisition of new customers, and increased loyalty. From review of above literature, however, it can be concluded that favourable evaluations depend on several factors. Consumers' awareness of a company's CSR activities is a basic

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prerequisite for CSR to have any influence on brand-related outcomes. Several CSR initiatives are unnoticed and thus do not have any influence on corporate or its brand image (Bhattacharya & Sen, 2004).

Most business researchers recognize reputational enhancement and brand b8uilding as the most effective means to develop long – term recognition and success in the market place. As a result, a company that moves beyond individual self-interest actually can secure self-interested achievements in the end. CSR has the potential to build brand value via specific drivers.

DRIVERS BRAND VALUE

1. Reduced risk and liability: Auditing and optimizing operations to be safe for human and environmental health can reduce or even eliminate internal risks, liabilities and regulatory requirements.
2. Operating efficiencies and cost savings: The efficient use of energy, water, materials and resources can reduce expenditures and environmental impact.
3. Synergies with stakeholders: The pursuit of a positive vision can inspire investor and customer confidence, strengthen employee commitment, and improve relations with public and private stakeholders.
4. Enhanced reputation and brand differentiation: Innovations in CSR can help distinguish an organization and its brand from competitors, such as expanding the traditional market measures of quality – cost, performance and aesthetics – to add environmental and social benefits related to products, services and operations.

FIG. 1 – DRIVERS OF BRAND VALUE
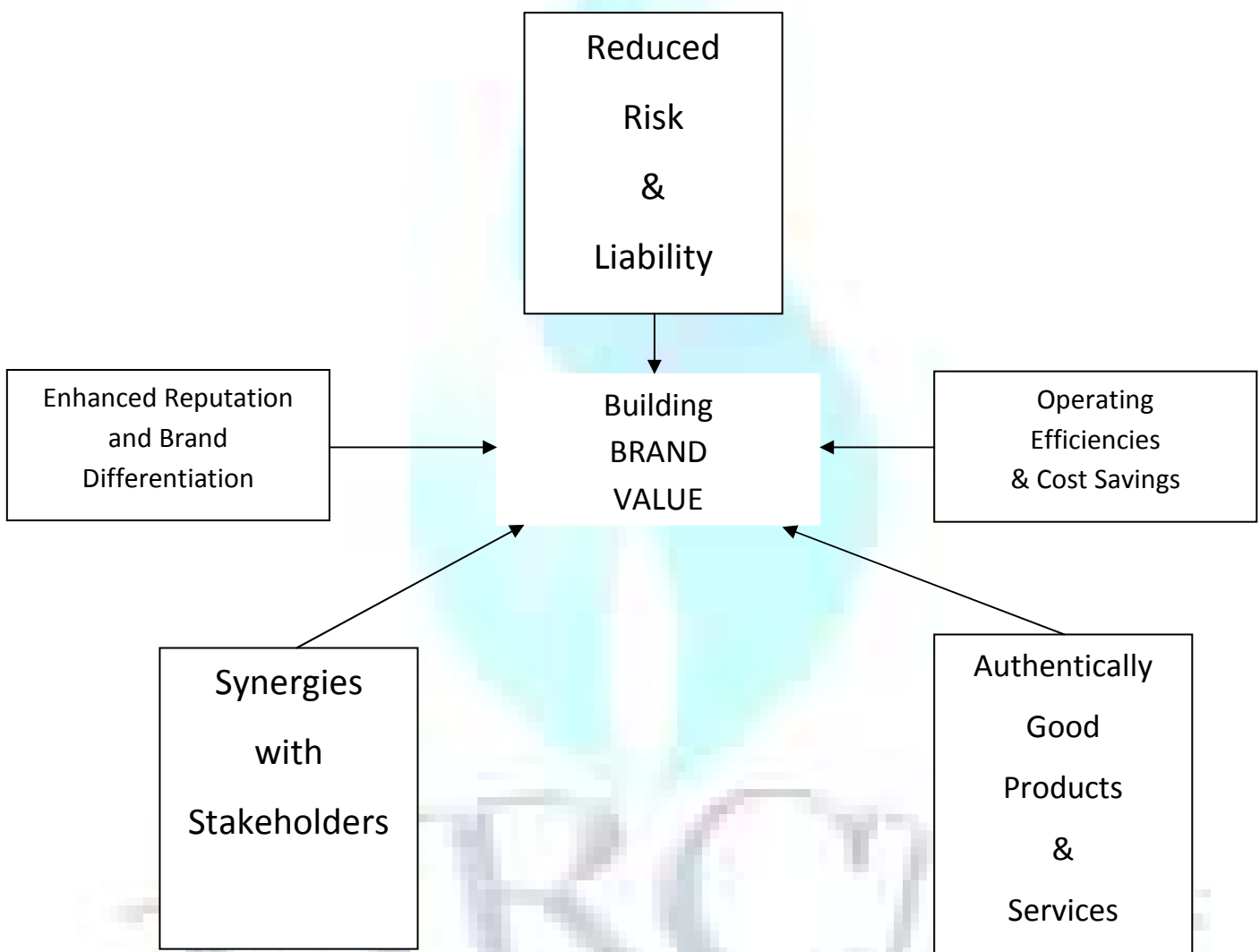
5. **Authentically good products and services** – Quality products and services rendered to society also create value to the company and enhance its brand value.

TABLE 1(a): RESPONDENTS' VIEWS REGARDING DRIVERS OF BRAND VALUE

S.No.	Drivers	1	2	3	4	5	
1.	Enhanced reputation and brand differentiation	52	31	13	3	1	100
2.	Synergies with stakeholders including social responsibilities.	51	31	12	5	1	100
3.	Reduced risks and liabilities.	40	29	25	4	2	100
4.	Operating efficiencies and cost savings.	39	28	22	7	4	100
5.	Authentically good products and services.	45	28	21	4	2	100
	Total (Value from Garret Table)	75	60	50	40	25	

(Sources: Primary Data)

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TABLE 1(b): GARRET'S RANKING REGARDING DRIVERS OF BRAND VALUE

S.No.	Parameters	1	2	3	4	5	Correct Score	Average	Garret Rank
1.	Enhanced reputation and brand differentiation	3900	1860	650	120	25	6555	65.55	1
2.	Synergies with stakeholders including social responsibilities.	3825	1860	600	200	25	6510	65.10	2
3.	Reduced risks and liabilities.	3000	1740	1250	160	50	6200	62.00	4
4.	Operating efficiencies and cost savings.	2925	1680	1100	280	100	6085	60.85	5
5.	Authentically good products and services.	3375	1680	1050	160	50	6315	63.15	3

(Calculated from Garrett's Table)

Table 1 reveals that enhanced reputation and brand differentiation has been rated as prime driver of brand value by innovations in CSR resulting in distinguishing an organization and its brand from competitors such as expanding the traditional market measures of quality to add social and environmental benefits. Synergies with stakeholders has been ranked as second important parameter to increase brand value as pursuit of a positive vision can inspire investor and customer confidence, strengthen employee commitment, and improve relations with public and private stakeholders. Authentically good products and services has been put at third rank. Operating efficiencies and reduced risks have been considered least important drivers of brand value.

TABLE 2: CSR RATING TURNOVER, NPBT & EXPENDITURE ON CST BY SELECTED INDIAN COMPANIES

S. No.	Name of the Company and Sector	CSR Rating	Total Sales/ Turnover	Net Profit before Tax	Expenditure on CSR	% age of CS Rexps./ Turnover
1.	Infosys Technologies Ltd. (Software & IT)	4/5	Rs. 21693 Cr	Rs. 6907 Cr.	Rs. 20 Cr.	0.09%
2.	Jubilant Organosys Ltd. (Pharmaceutical)	4/5	Rs. 3698 Cr.	Rs. 297 Cr.	Rs. 5 Cr.	0.13%`
3.	Kansal Nerolac Paints Ltd. (Paints)	4/5	Rs. 1590 Cr.	Rs. 143 Cr.	Rs. 0.51 Cr.	0.03%
4.	Tata Steels Ltd. (Steel)	4/5	Rs. 26624 Cr.	Rs. 7316 Cr.	Rs.1423 Cr.	5.34%
5.	Tata Consultancy Ltd. (Sofware & IT)	4/5	Rs.21948 Cr.	Rs. 5140 Cr.	N.A.	N.A.
6.	Titan Industries Ltd. (Watches & Jewellery)	4/5	Rs. 3809 Cr.	Rs. 231 Cr.	N.A.	N.A.
7.	Larsen & Tubro Ltd. (Heavy Engg.)	4/5	Rs.41072 Cr.	Rs. 4360 Cr.	N.A.	N.A.
8.	Moser Bear (India) Ltd. (Computers)	4/5	Rs.2838 Cr.	Loss	N.A.	N.A.
9.	HDFC Ltd. (Financial Services)	4/5	Rs.11706 Cr.	Rs.2863 Cr.	N.A.	N.A.
10.	Ballarpur Industries Ltd. (paper)	4/5	Rs.2849 Cr.	Rs.374 Cr.	N.A.	N.A.
11.	Yes Bank Ltd. (Banking)	4/5	Rs. 2438 Cr.	Rs. 304 Cr.	N.A.	N.A.
12.	Wipro Ltd. (Software & IT)	4/5	Rs. 21027 Cr.	Rs. 3548 Cr.	N.A.	N.A.
13.	Tta Chemicals Ltd. (Chemicals)	4/5	Rs. 8550 Cr.	Rs. 660 Cr.	N.A.	N.A.
14.	Bharat Petroleum Corporation Ltd. (Petroleum)	3/5	Rs.121700 Cr.	Rs. 1600 Cr.	2% of net profit after tax.	0.0176%
15.	Hindustan Uniliver Ltd. (FMCG & Consumer Durables)	3/5	Rs.21059 Cr.	Rs. 3035 Cr.	N.A.	N.A.
16.	Mahindra & Mahindra Ltd. (Automobiles)	3/5	Rs.26920 Cr.	Rs. 2254 Cr.	1% of net (PAT) profit after tax.	0.055%
17.	ACC Ltd. (Cement)	3/5	Rs. 8597 Cr.	Rs. 1737 Cr.	Rs. 12.2 Cr	0.14%
18.	Aditya Birla Nuvo Ltd. (Textiles)	3/5	Rs. 4818 Cr.	Rs. 162 Cr.	N.A.	N.A.
19.	Godrej Industries Ltd. (FMCG & Consumer Durables)	3/5	Rs. 3564 Cr.	Rs.131 Cr.	N.A.	N.A.
20.	Punjab National Bank	3/5	Rs.22690 Cr.	Rs.3197 Cr.	N.A.	N.A.

(Source: Compiled from www.karmayog.org/CSR/)

GENERAL FINDINGS BASED ON SECONDARY DATA

As per Karmayog CSR Rating (2009-10) criteria, the companies spending 0.2% of turnover on CSR are considered to be doing well for rating purpose. It indicates that the highest rating i.e. 5 has been awarded so far to any company in India as no company has developed any innovative ideas and practices for CSR. Only 13 companies in India out of 500 could secure rating 4/5. Only 3% companies report the amount spent on CSR, only 2% prepare separate sustainability report and 40% companies are working in the area of education followed by health care and rural upliftment. The sectors which are performing well are paper industry, software, FMCG and Banking. One reason that can be attributed to good performance of banking sector in CSR is regulations issued by government to be followed by public sector banks. The sectors not doing well are Construction, Mining, Entertainment & Media and Retail.

MAJOR FINDINGS ON THE BASIS OF ABOVE TABLE 2 ARE AS FOLLOWS

Out of 20 companies taken as sample, 13 are top rated companies with rating 4/5 in India. This indicates that all the 13 companies have undertaken CSR activities like activities linked to reduce negative environmental impact. Taken initiative for local community and embedding CSR in their business operations.

1. Top sector with a maximum of 3 out of 20 companies in Software and IT Enabled Services with Infosys, Wipro and Tata consultancy Ltd in the list
2. Tata Group of Companies, India, tops the list in country with its 4 ventures getting a rating of 4/5. These are Tata Steel, Titan, Tata Chemicals along with Tata Consultancy Ltd.
3. Moser Bear (India) Ltd. Inspite of running into losses has got rating 4/5 due to its CSR efforts.
4. One Major finding revealed by the take is that 13 out of 20 companies have not revealed their CSR Budget in Annual Reports.
5. Out of 7 companies revealing CSR budget, 4 have secured rating 4/5.
6. Tata Steels Ltd. is spending highest on CSR i.e. 5.34% of its turnover.
7. Hindustan Unilever Ltd and Gorej Ltd two big giants in FMCG and consumer durables sector are lagging behind in the race with rating 3/5.
8. Yes Bank and Punjab National Bank are also in the list. Though in terms of turnover, PNB has an edge over Yes Bank, still later one doing good in terms of CSR rating.

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TABLE – 3: CSR ACTIVITIES BY INDIAN COMPANIES

S. No.	Name of the Company	CSR Activities	
1.	Infosys Technologies Ltd. (Software & IT)	(a)	To support unprivileged in society and enrich their lives.
		(b)	Making high quality health care.
		(c)	Preserving heritage and honouring artisans.
		(d)	Providing education to rural children.
2.	Jubiliant Organosys Ltd. (Pharmaceutical)	(a)	A community awareness programme 'Jan Sanchetna' started.
		(b)	'Muskaan' Project for supporting primary education in rural areas.
		(c)	Company's policy not to employ child labour to stop child labour.
		(d)	To safeguard workforce against HIV/AIDS 'Samarth' Programme has started.
3.	Kansai Nerolac Paints Ltd. (Paints)	(a)	Accountable for impact on local community and society.
		(b)	Improving the quality of life of the neighbourhood.
		(c)	To contribute positively to the development of the society.]
		(d)	CSR focus mainly on Health, Education, Community Development and Environment Preservation.
4.	Tata Steel Ltd. (Steel)	(a)	Sharing wealth to Diminish Disparities.
		(b)	Promoting education of tribal children and youth of various ages.
		(c)	Efforts to support tribal cultural heritage.
		(d)	Undertaken many health care activities.
5.	Tata Consultancy Ltd. (Software & IT)	(a)	Children Education.
		(b)	Community and Employee Welfare.
		(c)	Energy Conservation.
		(d)	Environment Preservation.
		(e)	Healthcare of Physically Challenged.
		(f)	Poverty Education and Rural Development.
6.	Titan Industries Ltd. (Watches & Jewellery)	(a)	Community Welfare through education.
		(b)	Healthcare of Physically challenged.
		(c)	Vocational training.
		(d)	Women Welfare.
7.	Larsen & Tubro Ltd. (Heavy Engg.)	(a)	Disaster Management.
		(b)	Environmental Conservation.
		(c)	Health Care-women and Children Education.
8.	Moser Bear (India) Ltd. (Computers)	(a)	Livelihoods and Training.
		(b)	Education.
		(c)	Environment Protection.
9.	HDFC Ltd. (Financial Services)	(a)	Shelter assistance reserve.
		(b)	Anandwan-a way of Life.
		(c)	Kinship for Children.
		(d)	Ramakrishna Mission Student's Home.
		(e)	Seft Reliance through skills and Training.
10.	Ballarpur Industries Ltd. (Paper)	(a)	Community Development.
		(b)	Employee Volunteer Programme (EVP).
		(c)	Support Universalisation of Primary Education.
		(d)	Prevention of HIV/AIDS.
11.	Yes Bank Ltd. (Banking)	(a)	Thought Leadership.
		(b)	Responsible Corporate Citizenship Advisory (RCC).
		(c)	Yes Community.
12.	Wipro Ltd. (Software & IT)	(a)	Environment.
		(b)	Education
		(c)	Energy.
13.	Tata Chemicals Ltd (Chemical)	(a)	Agricultural Development.
		(b)	Animal Husbandry.
		(c)	Watershed Development.
		(d)	Relief work.
		(e)	Rural Energy.
14.	Bharat Petroleum Corporation Ltd. (Petroleum)	(a)	Arming villages adopted at Karjat towards self sufficiency.
		(b)	Counselling started to overcome the different problems of the employees at work.
		(c)	Awareness program against use of alcohol and drugs.
		(d)	Women empowerment.
15.	Hindustan Uniliver Ltd. (FMCG & Consumer Durables)	(a)	Launching SHAKTI, a rural initiative to empower unprivileged rural women.
		(b)	Health and Hygiene Initiative to spread awareness about the importance of washing hands with soaps.
		(c)	Providing special education and rehabilitation of children with challenges.
16.	Mahindra & Mahindra Ltd. (Automobiles)	(a)	Education initiatives have undertaken to make a difference to the lives of deserving students.
		(b)	Empowering the under privileged.
		(c)	Mahindra foundation has been set up to provide medical relief to the poor and needy.
		(d)	Environment initiatives to make planet greener.
17.	ACC Ltd. (Cement)	(a)	It has separate CSR department.
		(b)	Have taken initiative in community development.
		(c)	Sharing amenities and facilities with local communities.
		(d)	Education to children of rural area.
		(e)	Medical assistance to those living surrounding areas.
		(f)	Contribution to help in any national disaster.
		(g)	Conservation of Heritage Sectors etc.
18.	Aditya Birla Nuvo Ltd. (Textiles)	(a)	Mother and Child Care.
		(b)	Sustainable Livelihood.
		(c)	Women Self Help Groups.
		(d)	Sanitation programme in partnership with DRDA.
19.	Godrej Industries Ltd. (FMCG & Consumer Durables)	(a)	Community and Employee Welfare.
		(b)	Water Conservation.
		(c)	Effluents Drainage System.
20.	Punjab National Bank.	(a)	Farmer Welfare Trust.
		(b)	PNB Centenary Rural Development Trust.
		(c)	Micro Credit Scheme.
		(d)	Financial Literacy and Educational Counselling.

(Source: Compiled from Websites of Companies)

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Table 3 reveals various types of CSR activities undertaken by these top rated companies. It can be generally observed that most of the activities are philanthropic nature. Almost all 20 companies are spending for women, child and community welfare. Water conservation and Energy conservation also feature in the list of almost all companies. Environmental initiatives and Health Care come next in the list. Banking sector has rural development through micro credit schemes and Literacy of rural population in agenda. All Ventures of Tata group are involved in almost same CSR activities. This can be testified by numerous awards given to these companies by various government Departments and NGOs are depicted by annual reports. An important observation is that Indian Companies are heading towards making positive contributions towards development of society and hence nation. They are also taking steps for careful utilization and conservation of resources. But few important aspects of CSR still lack attention and efforts and these are steps to neutralize and offset harmful effects of production processes and product usage, developing core competence and skills etc. By paying little attention to these aspects as well, Indian companies can be in the list of Top companies of the world.

TABLE – 4: RESPONDENTS VIEWS REGARDING AWARENESS, ATTITUDE AND SATISFACTION LEVEL TOWARDS CSR

Categories of Respondents	Awareness about companies doing CSR	Willingness to pay more for products and services	Favourable attitude towards CSR brands	Satisfaction towards CSR efforts of Indian Companies.
Chartered Accountants	20 (100%)	18 (90%)	15 (75%)	10 (50%)
Academicians	20 (100%)	20 (100%)	20 (100%)	5 (25%)
Businessmen	12 (60%)	13 (65%)	12 (60%)	19 (50%)
Managers	20 (100%)	14 (70%)	13 (65%)	10 (50%)
Housewives	8 (40%)	7 (35%)	7 (35%)	6 (30%)
Total	80	72	67	41

(Source: Primary Data)

Table 4 predicts that 80% respondents are aware of the companies putting efforts on CSR activities whereas it is 100% in the case of chartered accountants, academicians and manager.

Level of awareness among housewives and businessmen is quite low. Among all categories, 100% of teachers are willing to pay more for the products and services being offered by the companies doing CSR activities. Housewives and businessmen again are reluctant to pay more for such products. They also are doubtful about CSR efforts of the companies and believe that the information revealed in the annual reports may be a sham only for the purpose of gaining a positive response from customers. For businessmen, these are just selling tactics. 90% students are also willing to pay more for such brands. Since major source of information on CSR are Annual Reports of the companies, only teachers, CAs, businessmen and managers who have invested money in securities are exposed to CSR activities of the companies. Only 67% respondents are willing to prefer CSR brands but have shown disability to evaluate among brands with low and high CSR rating. As far as adequacy of CSR efforts is concerned, only 41% respondents are satisfied with existing CSR efforts of which educationist's category is most dissatisfied one. An alarming fact that was discovered through the questionnaire was that respondents recollected only few brand names of the companies in question. Hindustan Lever Ltd. had highest voting in favour of all its brands such as Lux, Sunsilk, Pepsodent, KNOT soups, Pureot. Close-up etc. Infosys also enjoys same status in terms of favourability of brand name. Respondents did not show any concern about CSR efforts of these companies. Quality of the products is a dominating factor for them. Hence, it can be inferred here that people have little knowledge about CSR specially related ecological and social welfare issues, but these are still not the deciding factors in the minds of Indian consumers.

TABLE 5 (a): RESPONDENTS' VIEWS REGARDING ACTIVITIES ENHANCING CSR RATING

S.No.	Parameters	1	2	3	4	5	
1.	Efficient use of resources and skill	39	28	22	9	2	100
2.	State driven policies including state ownership and extensive corporate regulation and administration.	45	28	21	4	2	100
3.	Stakeholders responsiveness which recognizes direct or indirect stakeholders' interests	60	34	6	1	-	100
4.	Steps taken by company to neutralize, minimize or offset the harmful effects caused by its processes.	41	30	18	7	4	100
5.	Voluntary commitment to public welfare based on ethical awareness of broad social needs.	52	31	13	3	1	100
	Total Value from Garret Table.	75	60	50	40	25	

(Sources: Primary Data)

TABLE 5(b): GARRET'S RANKING REGARDING ACTIVITIES ENHANCING CSR RATING

S.No.	Parameters	1	2	3	4	5			
1.	Efficient use of resources and skill	2925	1680	1100	360	50	6115	61.15	5
2.	State driven policies including state ownership and extensive corporate regulation and administration.	3375	1680	1050	160	50	6315	63.15	3
3.	Stakeholders responsiveness which recognizes direct or indirect stakeholders' interests	4500	2040	300	40	-	6880	68.80	1
4.	Steps taken by company to neutralize, minimize or offset the harmful effects caused by its processes.	3075	1800	900	280	100	6155`	61.55	4
5.	Voluntary commitment to public welfare based on ethical awareness of broad social needs.	3900	1860	650	120	25	6555	65.55	2

(Calculated from Garret's Table)

Table 5 (b) depicts that all the parameters have recorded Garret's score more than 61. Stakeholders responsiveness which recognizes their direct or indirect interest has been rated as major parameter with 68.80 average Garret Score to enhance CSR rating whereas voluntary commitment to public welfare based on ethical awareness of broad social needs has been considered as second important factor with 65.55 average Garrett Score. State driven policies including state ownership and extensive corporate regulation and administration has been ranked third with 63.15 average Garrett Score.

SUGGESTIONS

The study suggests that companies should attempt to reduce consumers' skepticism regarding their CSR efforts if they would like to reap any branding benefits. The companies with low brand images as well as CSR rating can change their image only if consumers are able to attribute sincere motives to CSR activities. This requires:

1. The companies should choose their CSR initiatives carefully in terms of fitness to their particular sector.
2. The companies should also demonstrate their commitment towards efficient use of resources by reducing expenditures and negative environmental impact.
3. The efforts exerted on building brands through CSR activities should be communicated to the stakeholders so that it strengthens their confidence.
4. Innovations in CSR should also be made. This will help distinguish an organization and its brand from competitors.
5. Companies should investigate into stakeholders responsiveness which recognizes direct or indirect stakeholders' interests.
6. Voluntary commitment to the public welfare activities based on ethical awareness of broad social needs must be made by the companies.

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CONCLUSION

CSR can provide companies with a new source of differentiation and strength for the brand due to consumers' growing worry about the environmental and social impact of modern lifestyles. Enhancing brand's value via CSR associations thus means understanding how CSR as the new differentiating factor is able to reflect relevance, distinctiveness and believability perceptions. There is empirical evidence that CSR will have a strong impact on corporate success if CSR programs fit to the relevant situational conditions and to the identity of the company and (or) the product brand. The concept of CSR has been perceived by the business organizations as a strategy as well as an opportunity for innovation. To succeed in a business a company must maintain global standards of CSR towards all stakeholders and should recognize the fact that CSR is key driver of long term brand value creation.

SCOPE FOR FURTHER RESEARCH

To identify that why companies are holding back in revealing their efforts on CSR in their annual reports and what is the reason that lot of companies are still not taking CSR initiative.

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FACTORS EFFECTING PURCHASE DECISION OF BRANDED SPORTS ACCESSORIES WITH SPECIAL REFERENCE TO REEBOK

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ABSTRACT
A brand should move beyond its physical character to acquire a perceptual character hence representing itself as a means to achieve what is sought by a customer. A Brand to some may be a simple name, logo or symbol whereas to others it may be a promise, guarantee, reputation or identification. Reebok is an American-inspired, global brand that creates and markets sports and lifestyle products built upon a strong heritage and authenticity in sports, fitness and women's categories. The brand is committed to designing products and marketing programs that reflect creativity and the desire to constantly challenge the status quo. This paper is empirical and explains the main factors which effect the purchase decision of branded sports accessories.

KEYWORDS
Brand, Effect, Identification.

INTRODUCTION
A brand resides in the minds of consumers"
A brand should move beyond its physical character to acquire a perceptual character hence representing itself as a means to achieve what is sought by a customer. *"A Brand exists in perceptual space and is a perceptual entity".* Strong brands have a distinct place for themselves in the minds of the consumers. Of course, all strong brands are differentiated and command a lot of awareness in mind space of consumers; still the attribute that actually results in increased sales hence generating billions of dollars is the powerful appeal these brands generate. In today's scenario brands are the basis of consumer relationship. A Brand to some may be a simple name, logo or symbol whereas to others it may be a promise, guarantee, reputation or identification. But most importantly, brands are conduits. They bring together consumers and marketers closer and bind them together.

Consumer is a broad label for any individuals or households that use goods and services generated within the economy. The concept of a consumer occurs in different contexts, so that the usage and significance of the term may vary. The consumer drives the economy by purchasing goods and services from vendors.

Footwear is no longer viewed as a commodity that just offers protection for feet. What was hitherto considered a 'Want' is today a basic 'Need'. Today, the footwear trade is a vast and dynamic operation involving huge economies of scale. The low-cost countries are gaining foothold in international markets leading developed countries to import and outsource so as to meet their requirements. The athletic shoe segment is highly competitive in nature with the major players such as Nike, Adidas, Reebok and New Balance striving to retain their market share and the smaller players such as Puma trying to gain market share. Important features of this competitive segment are heavy advertising, celebrity endorsements, brand awareness programs etc.

Reebok is an American-inspired, global brand that creates and markets sports and lifestyle products built upon a strong heritage and authenticity in sports, fitness and women's categories. The brand is committed to designing products and marketing programs that reflect creativity and the desire to constantly challenge the status quo.

Reebok International Limited, a subsidiary of German sportswear giant Adidas, is a producer of athletic footwear, apparel, and accessories. English brothers Joe and Jeff Foster founded Mercury Sports in England. In 1960, the brothers renamed the company **Reebok**, having discovered the name in a dictionary won in a race by Joe Foster as a boy. The name comes from the Afrikaans spelling of rhebok, a type of African antelope or gazelle. The dictionary was a South African edition, hence the spelling.

SUB BRANDS OF REEBOK
- Above The Rim (A.T.R)
- Weebok
- Reebok Classic
- Scarlett Hearts
- G-Unit Footwear

"**Footwear** Reebok uses footwear factories in 14 countries. Most factories making Reebok footwear are based in Asia — primarily China (accounting for 51% of total footwear production), Indonesia (21%), Vietnam (17%) and Thailand (7%). Production is consolidated, with 88% of Reebok footwear manufactured in 11 factories, employing over 75,000 workers.

"**Apparel** Reebok has factories in 45 countries. The process of purchasing products from suppliers is organized by region. Most (52%) of Reebok's apparel sold in the United States is produced in Asia, with the rest coming from countries in the Caribbean, North America, Africa and the Middle East. Apparel sold in Europe is typically sourced from Asia and Europe. Apparel sold in the Asia Pacific region is typically produced by Asian-based manufacturers.

REVIEW OF LITERATURE
Though many researches could be found related to this study but there are certain findings which can be quoted here in relevance to the research work. All the research works mentioned here relates to the purchase decisions made by consumers of sports accessories.

Gabay Gillie(2009):- The purpose of this paper is to empirically test the consumer- centered approach to brand management theorized by Rust, Zeithaml and Lemon in 2004 to assist companies in reducing the depreciation of brand equity. Brand equity was operationalized in the context of conjoint measurement. In total, 5,364 respondents participated in interviews testing drivers of brand equity for six brands each in apparels. It was found that brands did not hold much beyond their name. Companies holding strong brands will need to define product design & Faison in terms of their perceived functionality across consumer

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cutting edge methodology to test mindset segmentation by combinations of product features as a new basis for brand management was used. In contrast to traditional segments. Companies are to build and position brands around customer segments. The study focused on brands in the textile industry requiring the replication to additional industries. Data from the large-scale study revealed that acrosS categories brand value may not hold much beyond the name in the minds of consumers. It was found that mindset segmentation may be a basis for brand management. Messages that focused on product functionality were found to be stronger drivers of preference of one brand over another. Product quality & design instead of brand names emerged as the primary source of value across segments.

Nukhet Harmancioglu (2009): An executive summary for managers and executive readers can be found at the end of this article. Scholars have taken an interest in impulse purchasing for over 50 years. Not surprisingly, many crucial insights emerge from these studies. For instance, proposed that consumers attempt to control their innate impulsive tendencies because they perceive impulse buying as normatively wrong and do not want to be perceived as immature or lacking behavioral control. Despite the risks and the negative normative associations with such behavior, found that impulse buying is present in most product classes. Their study also reveals that between 27 and 62 percent of department store merchandise is bought on impulse.

Agnes Nairn (2008): A total of 40 sites popular with children were inspected and their commercial content discussed with a range of young people and parents across the country. By and large the internet is a safe, exciting and stimulating environment for children. However, it is also clear that current regulations to protect children from the risks of harm and deception from online commercial agents need to be tightened and more rigorously enforced or self-policed. One of the most important findings is that 70 percent of sites visited by children are not created with a child-only audience in mind. The advertising space and merchandising activity is therefore often unsuitable. The majority of TV programmes watched by children are, of course, also viewed by adults but the existence of the watershed is one attempt made to protect children. Of the adverts encountered across sites, 25 percent were for dating, gambling, credit, surgery and age-restricted products and services. Children were upset by intimate dating material and parents worried about the long-term impact of ubiquitous incitement to borrow and gamble. Advertising on sites specifically targeting children was often unfair and deceptive. Almost three-quarters of adverts were not labeled and over one-fifth hidden in the site content. While children gradually learn how to tell entertainment from commerce the true nature of advergames was not even understood by 16 year-olds. "Free" offers were prolific and many employed pressure tactics to urge children to buy immediately using mobile phone or solo cards.

Götze Elisabeth (2008):- The purpose of the paper is to analyze children's impact on innovation decision making empirically. This paper is a diary study with 14 parents depicting their experiences with regard to the topic of interest over a period of two weeks. This paper helps marketers tailor appropriate marketing and innovation strategies. Special attention is given to the familial dynamics in the innovation decision-making process. This is to prevent inter-family conflicts fuelled by the children's requests. This is one of the first attempts to test Rogers' innovation-decision process. Moreover, despite its many bonuses, the diary method has rarely been applied in the context of familial purchase decision making. Children's influence is stronger in earlier stages of the innovation buying process, based on different communication strategies with differing effects on their parents' purchasing behaviour.

Ian Phau (2008): The research findings indicate that status-seeking teenagers have overall, a more positive attitude toward foreign luxury brand apparel as compared to Australian luxury brands, with the exception of Chinese brands. On the other hand, non-status seeking teenagers reported that they have more positive attitude towards Australian brands than foreign brands, and consider Australian luxury brands superior to all three foreign brands with regards to ease of care and comfort. The research findings indicate that status-seeking teenagers have overall, a more positive attitude toward foreign luxury brand apparel as compared to Australian luxury brands, with the exception of Chinese brands. On the other hand, non-status seeking teenagers reported that they have more positive attitude towards Australian brands than foreign brands, and consider Australian luxury brands superior to all three foreign brands with regards to ease of care and comfort.

Matzler Kurt (2008):- The purpose of this paper is to explore the relationship between the customer's risk aversion and its relationship with brand loyalty and to test empirically whether this relationship is mediated by brand trust and brand affect. A randomly selected sample of Austrian mobile phone users was drawn. Their risk aversion, two forms of loyalty (attitudinal and repurchase loyalty), brand trust and brand affect have been measured with existing and tested scales. The hypothesized model has been tested using PLS (Partial least squares) findings are limited to mobile phone users. The generalization of the results could be extended by broadening the list of products, for example with other durable products and services in which brand affect and brand trust may be even more important in developing brand loyalty. This paper explains why certain customers have more trust and experience more affect than others and how this is related to loyalty. Hence, marketers can increase brand loyalty by targeting more risk aversive customers. Customer's risk aversion is significantly related to the two forms of loyalty (attitudinal loyalty and brand loyalty). When brand affect and brand trust are introduced into the model, the previously highly significant relationship between domain-specific risk aversion and attitudinal loyalty becomes insignificant and the risk aversion-repurchase relationship becomes much weaker, while risk aversion strongly influences brand trust and brand affect.

Shuk-Ching Liu (2008) Tourism is a vital factor for the Hong Kong economy and tourists contribute a substantial amount of purchases to the fashion retail industry. In the following, we review some related literature on how tourists, especially those from the mainland China, affect retail businesses in Hong Kong indicate that in the year 2000, shopping expenditure accounted for more than HK$30 billion (50.2 percent) of the total tourism receipts. The shopping expenditure of tourists, therefore, has a great impact on the local economy of Hong Kong. says that the retail sector contributes a significant proportion to the tourism industry and is playing an important role in maintaining a destination's attractiveness. The author points out that tourists spend a considerable amount of time and money on shopping because shopping is an underlying motivation and incentive for people to travel. According to the Tourism Receipts Report for 2001 by the Hong Kong Tourism Board (HKTB), shopping represents the largest part of total spending by the mainland Chinese tourists, taking 63.7 percent of their total spending In addition, the per capita spending on shopping of the mainland Chinese tourists in Hong Kong is HK$3,295, which is ranked at the top position compared to the tourists from other countries.

Frank Jacob (2006): During the past decades, marketing research has significantly increased its focus on the study of buyer-seller relationships driven by practitioners' request for advice and a perceived theoretical challenge. The growing importance of relationships in business calls for an attempt to explain how relationships develop and evolve. A commonly accepted explanation of this phenomenon is that relationships are established as a means to overcome the uncertainty as perceived by a potential customer in a market transaction. In this sense relationships are understood as an institution. New institutional economics provides the theoretical foundation for this approach to relationship research. This risk-based explanation has gained widespread acceptance and has been empirically tested several time.

Isabel J. Grant (2006) Isabel J. Grant in his study "Buying behaviour of "teenage" girls and key societal communicating factors influencing their purchasing of fashion clothing" said that The term "teenagers'" is relatively new in marketing terminology, but has captured the attention and interest of marketers and many commercial stakeholders in different fields of business, who are or are becoming aware of the huge potential of this group. "Teenagers" are those young people whose ages range from "pre-adolescent to 14 years" and have been described as "the richest generation" in history and the spending of this age group "has roughly doubled every ten years over the last three decades".

RATIONAL OF THE STUDY

As lot of research work has been done in this field, this study will be an add on for the upcoming researchers to conduct their findings in an easier way. The research work may also help the retailers in providing services to their clients according to their age and gender. The study will be helpful to the sports accessories manufacturers in launching their new variants in a way that it will help them in increasing the market penetration of that particular brand. The firm can plan its marketing strategies for the upcoming accessories in accordance with the demands of a consumer. The study throws some light on the factors that can be kept in mind by a manufacturer in making the new variants a success. This study will be able to help out consumers also in order to choose a better brand according to their age & gender.

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OBJECTIVES OF THE STUDY
- To explore the factors that effects the purchase decision of branded sports accessories.
- To study the impact of age and gender as the determinants of buying a particular brand.

METHODOLOGY
THE STUDY
The study is exploratory in nature. It is attempted to explore the factors that affect purchase decision of branded sports accessories. It has also examined the impact of age and gender (independent variables) on identified factors (dependent variables). The level of independent variables that were ascertained are:
AGE
Youngsters (below 35 yrs) & Seniors (above 40 yrs).
The gap of 5 yrs between the youngsters and the seniors is kept to identify the difference of opinion.
GENDER
Female and Male
THE RESEARCH DESIGN
The study is based on a 2x2 factorial design. The research design is shown below:

TABLE NO- 1: RESEARCH DESIGN

Age (in yrs) Gender	Male	Female	Total
Below 35			
Above 40			
Total			

THE SAMPLE
The sample of the study constituted of 126 consumers located in Indore and nearby areas. The respondents were selected with the help of non probability convenience sampling method. Non-probability method is selected because there is no sampling frame available that represents the list of all the consumers located in Indore and nearby areas. The classification of sample according to above research design is as follows:

TABLE NO- 2: SAMPLE

Age (in yrs) Gender	Male	Female	Total
Below 35			65
Above 40			61
Total	68	58	126

TOOLS FOR DATA COLLECTION
Primary data of the study was collected through a self-structured questionnaire. The questionnaire was designed following a wide review of the literature on factors affecting purchase decisions. It was divided into two parts – the first part was based on the personal profile of the respondents. The second part consisted of 20 closed ended items based on five pointer Linkert scale (from Strongly Agree-5 to Strongly Disagree-1). The questionnaires were filled and collected from the respondents after conveying the purposes of the study. The additional data needed to support the study was collected from secondary sources like online publications, journals, magazines, newspapers, books, etc.
TOOLS FOR DATA ANALYSIS
For analyzing the collected data, MS Excel 2007 and Statistical Package for Social Science (SPSS 16.0) were used. Initially item-total correlations were calculated for all the 20 items to identify which items significantly contributed towards measuring the perception of purchase decision of branded sports accessories taking 0.196 as standard value of coefficient of correlation for more than 100 respondents. Out of 20 items 14 fell below standard value hence they were not considered for the analysis and only 6 items were accepted for the final scale and subjected to principle component method of factor analysis using varimax rotation. As a result of factor analysis 2 factors were derived out. The 2 factors are listed below.
1 .Value
2. Publicity
On the basis of these 2 factors, following 6 hypotheses were framed. Analysis of Variance (ANOVA) was applied to test these hypotheses.

HYPOTHESIS
For factor 1- VALUE
H01 = There is no significant effect of age on Value factor affecting the purchase decision of branded sports accessories.
H02 = There is no significant effect of gender on Value factor affecting the purchase decision of branded sports accessories.
H03 = There is no significant effect of interaction between age and gender on Value factor affecting the purchase decision of branded sports accessories.
For factor 2 – PUBLICITY
H04 = There is no significant effect of age on Publicity factor affecting the purchase decision of branded sports accessories.
H05 = There is a significant effect of gender on Publicity factor affecting the purchase decision of branded sports accessories.
H06 = There is no significant effect of interaction between age and gender on Publicity factor affecting the purchase decision of branded sports accessories.

RESULTS AND DISCUSSION
FACTORS AFFECTING PURCHASE DECISION OF BRANDED SPORTS ACCESSORIES
The factor analysis was carried out on 20 significant items that resulted into 2 factors that affect purchase decision of branded sports accessories. The total percent of variance for factors is 44.115 and the Eigen values for each factor is more than one.
First factor Value constituted of two items viz. Awareness about the brand (item load = 0.43) & the Pricing of the brand (item load = -0.256).The total load of this factor is 0.174. This factor highlights the main criteria for selecting a particular brand. The word Value signifies the worth of a particular brand in monetary terms as well as how a particular brand holds its place in the minds of the consumers.
Second factor Publicity constituted of four items viz. Variants (item load =0.677), Endorsing Celebrity (item load = -0.106), Advertisements (item load =0.31) & importance of Internet (item load =-0.455). The total load of this factor is 0.426.This factor includes some of the important points which are considered while choosing a particular brand. Today's youth considers Internet & Advertisements as important channels which provide them information about new brands & new arrivals in existing brands. Apart from these, Celebrity endorsements act as a medium to reach to the masses.

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TABLE NO- 3: HYPOTHESIS TESTING

S. No.	Factor	Hypotheses	Result
1	VALUE	H01	Accept
		H02	Accept
		H03	Accept
2	PUBLICITY	H04	Accept
		H05	Accept
		H06	Accept

6 hypotheses that were set on the basis of 2 factors were tested and the results are tabulated above. The results indicated that the sigma value ('p') for none of the hypotheses was less than 0.05 and therefore, all the hypothesis was accepted at 5% level of significance. It was found that there is no significant difference in the effect of age and gender in the selection of branded sport accessories. It was found that there is no significant difference in the effect of youngsters and senior group of consumers.

CONCLUSION

The two factors derived out of 20 items indicate that the consumers generally look for reasonable branded sports accessories which have a high brand value. The consumers mainly focus on the medium of gaining information through which they can decide which brand to buy for the first time or for repetitive purchases. The purchase decision of the consumers mainly depends on the value of the brand in monetary terms as well as the position it enjoys in the minds of the people.

This study has revealed that age & gender does not make much difference in the opinion of a consumer while choosing a brand. In fact, any age group would consider pricing and variants before choosing a particular brand in sports accessories.

IMPLICATIONS OF THE STUDY

WITH RESPECT TO CONSUMERS

The study will be helpful for the consumers in understanding the factors which they can consider while selecting any sports brand. The various factors included in the study like variants & pricing may help them in identifying a better sports brand.

WITH RESPECT TO MANUFACTURES OR RETAILERS

The study will help the manufacturers or retailers in serving their customers in a better way as they would be aware what a customer is actually looking for in a sports brand. Apart from this the study will help the manufacturer in conducting a need analysis which will eventually make them understand the needs of a consumer or a customer.

WITH RESPECT TO RESEARCHERS

This study will be an add on for the upcoming researchers who wish to conduct research for any branded items .The study broadens the horizon for a new research as there are various factors which can be studied on individual level which a broader spectrum.

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ADVERTISING AND CONSUMER BUYING BEHAVIOUR: A STUDY WITH SPECIAL REFERENCE TO NESTLE LTD.

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ABSTRACT

The study attempts to analyze the impact of advertising on consumer buying behavior. Market provides a key to gain actual success only to those brands which match best to the current environment i.e." imperative" which can be delivered what are the people needs and they are ready to buy at the right time without any delay. The study, based on an analytical approach on a survey of 200 randomly selected consumers in Agra city, examined the role played by advertising in influencing consumers buying behavior for Nestle, which is one of the leading nutrition, health and wellness company. Results reveal that consumers are highly influenced by advertising in their preference for the brand. The mean value of the consumers' preference for Nestle is 4.36 which is the highest in comparison to the various brands. The major reasons for this preference are its attractive advertising policy and rich quality. In this reference, the survey reveals that TV advertisements of Nestle influence the buying of consumers the most. The creative presentation and language of TV advertisements of Nestle are successful to convey Message, Emotion, Value system regarding the product. The study clearly reveals that the advertisement has its impact on buying behavior of consumers. Therefore, it is advisable to companies to emphasize their advertisement campaign not only to retain their market but to height it also.

KEYWORDS

Buying behavior, Advertising, Buying decision, Brand decision

INTRODUCTION

In order to stay in business a company must make adequate sales from its products to cover operating costs and post reasonable profits. For many companies, sales estimate is the starting point in budgeting or profit planning. Sales decisions are a challenging one which has to take by each business executive in his / her life. The external factors like – income of the consumers, government policies, competitive environment oppose number of challenges to forecast the potential customers' demands accurately.

Considering, hence, the importance of sales for business existence and the connection between customers and sales, it is necessary for organizations to launch such programs that can influence consumers' decision to purchase its products. This is, where, advertising is relevant. Advertisings is a subset of promotion mix which is one of the 4P's in the marketing mix i.e. product, price, place and promotion. As a promotional strategy, advertising serves as a major tool in creating product awareness and condition the mind of a potential consumer to take eventual purchase decision[1].

UNDERSTANDING OF CONSUMER BUYING BEHAVIOUR

Consumer buying behavior is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, anthropology and economics. It attempts to understand the buyer decision-making process, both individually and in groups. It studies features of individual consumer such as demographics, psychographics, and behavioral variables in an effort to understand people's wants. It also tries to measure influences on the consumer from groups such as family, friends, reference groups, and society in general.

The study and knowledge of consumer buying behavior helps to firms to decide their marketing strategies and product offerings. Following are the important issues that have significant influence on consumer's psyche and their ability to take decisions:

- Their Age, Religion, Culture, Income, informal group and Reference Group.
- How consumers think, feel, reason, and select between different alternatives (e.g., brands, products);
- how the consumer is influenced by his or her environment (e.g., culture, religion, custom, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer;
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Understanding of these issues helps companies to adapt strategies by taking the consumer into consideration.

EFFECT OF ADVERTISING ON CONSUMER BUYING BEHAVIOUR

Advertising is basically a type of communication. It attempts to persuade potential customers to purchase or consume a product or service. It is designed in such a way that it creates and reinforces brand image and brand loyalty.

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Thus, advertising plays a very important role in forming consumer buying behavior. Advertising is usually important for triggering the first time purchase of the product. Then, if the consumer likes it, he will purchase the product again. However, if the advertising and promotion portrays a good image of the product, the repurchase of the product is guaranteed.

Buyers of convenience goods are especially affected by advertising. Advertising plays a vital role in reminding consumers of the brand name. Thus, a strong brand image portrayed through advertising would ensure the repurchase of convenience goods.

SUMMARY OF PREVIOUS STUDIES

Advertising is more than a tool for selling. It has one overriding task, to position a brand in the prospectus perception or perceptual space in relation to competitors, so as to created distinctiveness and preference.

To formulate the problem scientifically, and to point out the importance of undertaking this study, it is essential to present a brief review of Researches undertaking in this area. Although the review involved a large number of studies only a few studies which has direct and indirect bearing in the present study has been summarized:

Amit Kumar (2011)[2] in his paper 'Celebrity Endorsements and its impact on consumer buying behavior' focuses on the perception of Indian consumers about celebrity endorsements, the celebrity attributes likely to influence consumer purchase intentions. The practice of celebrity endorsements has proliferated over time. Now days it has become a pervasive element of advertising industry especially in India. Celebrity endorsement business has become a multi-million industry in India. Marketers use celebrity endorsers to influence the purchase decision of consumers in order to increase their sales and extend their market shares. This made the author curious to explore the impact of celebrity endorsements on consumer buying behavior.

T.Mamatha (2008)[3] in her study 'Post purchase behavior and consumerism' says that consumer behavior is a very complex phenomenon, which needs more efforts to understand, explain and predict. In order to get a clear understanding of the same, every marketer should realize that consumer behavior is, in fact, an assumption every marketing manager must make, if he plans to market on any basis other than hit-or-miss. Although some individuals find it difficult to make this assumption, one must agree that behavior is not so erratic or mysterious that it defies explanation.

Dinesh Kumar Gupta (2007)[4] in his research 'Impact of celebrity endorsement on consumer buying behavior and brand branding' aim to describe the celebrity endorsement increase consumer attractiveness for product than non-celebrity endorsement and bring magic to brand and make them more appealing and successful but while using celebrity endorsee, marketer has to take care of all the aspect that whether the brought personality and image of celebrity matches or not, whether celebrity endorsee has deep penetration among the masses or not, whether he is considered as credible source or not etc.

Susan Chirayath (2007)[5] says in their research 'Impact of Promotional Activities on Consumer Buying Behavior' that, FMCG Sector in India is characterized by cut throat competition, which leads to brand proliferation in various categories. In matured urban markets consumer sales promotion to differentiate one's offer is a very common practice. In fact consumers are lured by the ever increasing budget allocated to these activities. In such a scenario it is very essential to study how consumers make their choices in FMCG category where there are several brands in the consideration set of the consumer. Since the final risk being low, consumers do not mind switching from one brand to another due to sales promotion offers. Thus it becomes imperative to the marketer to learn about consumer preferences with respect to sales promotion offers, what schemes do the consumers prefer for what kinds of brands, which media they prefer to learn about the schemes, whether they prefer incentives immediately or at a later date.

J. Varaprasd Reddy (2006)[6] in his study 'Role of Advertising in Creating Brand Personality' says that brand personality being potent tool needs to be leveraged to achieve key objectives for existing & new brands. Consistency is also important, failing which dilution of brand personality or absence of it may occur. Other mix elements like distribution, pricing, promotion and packaging (apart from advertising) should support and strengthen brand personality.

Dr. Vijay Pithadia (2006)[7] in his study 'Evaluating International Advertising Techniques & Opportunity' explain the public perception of advertising has become very negative. It is seen as a medium that inherently promotes a lie, based on the purpose of the advertisement - to encourage the target audience to submit to a cause or a belief, and act on it to the advertising party's benefit and consequently the target's disadvantage. They are either perceived as directly lying (stating opinions or untruths directly as facts), lying by omission (usually terms or conditions unfavorable to the customer) or portraying a product or service in a light that does not reflect reality. It is this increased awareness of the intention of advertising, as well as advertising regulations that have increased the challenges that marketer's face.

Srikant Kapoor[8] describe in the study 'Advertising revisited-The Good, Bad, & Ugly' that difference in presentation of a Good, Bad & Ugly advertisement is mainly owing to the sponsor's view point & artists creative choices. However, someone has to be wasteful about what can be shown in public & what should remain hidden. Money making through unacceptable means may be prevented by law but awareness about what is good & what is not, is also important to discourage bad practices. If ignorance of law is not excused, ignorance about good & bad taste should not be excused. It may have far more significance for the betterment of the society, & its people.

NEED OF THE STUDY

We have seen the number of factors is going to affect the consumer buying behavior. But today the firms or marketers are using the advertising as a major tool to affect the consumer buying behavior and mold in their favor. **Thus, in this paper an attempt has been made to know the impact of advertisement on consumer buying behavior in reference to Nestle product.**

COMPANY PROFILE

Nestlé is the world's leading nutrition, health and wellness company. The company employs more than 281,000 people and has 456 factories in 84 countries. Nestlé products are sold in almost every country in the world.

Founded in 1866 in Vevey, Switzerland, where it is still based, Nestlé has often been called "the multinational among multinationals". Only about 1.5 percent of its sales are generated in its home country, and all but 12 of its factories are situated abroad. The CEO is Paul Bulcke, and the General Management includes a Belgian, two Canadians, one Dutch, a Frenchman, a German, a South African/British, three Spaniards, one Swiss, one American and a Swiss-American. Nestlé is a truly public company with over 250,000 shareholders of which around one third are Swiss. No single shareholder owns more than 3% of the stock. US investors, who, together, hold over 30% of the capital, can purchase ADRs through a sponsored program.

As the world's leading nutrition, health and wellness company, Nestlé is the worldwide leader in product categories such as soluble coffee, infant nutrition, bottled water, condensed and evaporated milk, ice cream, as well as chocolate and malt drinks, and culinary. The Group is also a co-leader in pet care.

The Company is committed to delivering shareholder value through sustainable, capital efficient and profitable long-term growth. Over the past years it has concentrated on furthering organic growth and performance improvement.

OBJECTIVES OF THE STUDY

In this research work, the following specific objectives have been tried to achieve:

- To study the impact of advertisement on consumer buying behavior.
- To study the reasons of consumers' preferences for nestle products.

RESEARCH METHODOLOGY

The present paper is based on analytical approach. Weighted mean and standard deviations have been used to measure the dimension of Consumer buying behavior. Convenient sampling method has been adopted for administering the questionnaires.

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SCOPE OF THE STUDY

During the study, Milk products (Nestle Everyday – Pure ghee & Milk Powder, Nestle fresh n Natural Dahi (Curd), Nestle Milkmaid), Beverages (Nescafe Classic, Nescafe Sunrise, Nestea, Nescafe cappuccino), Prepared Dishes & Cooking Aids (Maggi- 2- minute noodles, Soups, Bhuna mashala, Sauces), Chocolates & Confectioneries (Bar one, Kit Kat, Munch, Polo, Milky bar, Eclaires) products of Nestle have been included.

METHODS OF DATA COLLECTION

Primary data have been collected with help of a structured questionnaire administered among 200 respondents from the different areas of Agra city. Secondary data have been collected from reputed journals and magazines. The study has been carried out from July to December 2010.

DATA ANALYSIS

The profile of the respondent is presented in Table 1:

TABLE 1: PROFILE OF THE RESPONDENT

Gender	Male	127	64%
	Female	73	36%
Total		**200**	**100%**
Age	15-30	72	36%
	30-45	64	32%
	45 and above	64	32%
Total		**200**	**100%**
Occupation Of Respondent	Business	28	14%
	Professional	26	13%
	Service	42	21%
	Students	57	28.5%
	Any other	47	23.5%
Total		**200**	**100%**

(Source: Survey analysis)

FACTORS AFFECTING PURCHASING DECISION OF CONSUMERS

Table 2 is showing the particular factors which affect the consumers' buying behavior, the most in reference to powder milk, Infant foods, Coffee, Chocolates, Confectionery items and culinary products.These factors have been ranked in the table as per their weighted mean.

TABLE 2: FACTOR AFFECTING CONSUMER BUYING BEHAVIOR

Factors	Mean	SD
Advertisement & Sales Promotion	4.18	0.95
Festival Season	3.89	1.12
Goodwill	3.77	1.17
Word of mouth/Advice by friend	3.01	1.40
Quality	3.50	1.33
Emotional Attachment	3.27	1.34
Price & Discount	3.11	1.40
Income	2.91	1.35
Visual Merchandising	2.91	1.41

(Source: Survey analysis)

It is concluded from table 2 that the Advertisement & sales promotion and Festival season, have occurred as the most important variable considered by consumers in their buying decisions.

FACTORS INFLUENCING THE BUYING DECISION OF CONSUMERS FOR NESTLE PRODUCTS

The table 3 is showing the two things simultaneously one the expectation of consumer from Nestle products and another is their satisfaction level on the same parameters. When the respondent where asked to highlighted the factors which are affecting the buying decision in reference to Nestle products their responses are showing in table 3.

TABLE 3: INFLUENCING FACTORS FOR PURCHASE OF NESTLE PRODUCTS

Expectations			Observation		
Mean	SD	Parameters		Mean	SD
4.29	0.78	Quality/Flavor/Taste		4.37	0.80
4.01	0.96	Marketing strategy/ promotional schemes		3.67	1.24
3.98	1.26	Image		4.02	1.15
3.98	1.08	Size of packaging		3.45	1.30
3.55	1.33	Price		3.40	1.30
3.30	1.33	Brand Loyalty		3.39	1.33

(Source: Survey analysis)

The table 3 reveals that the quality is the top most concern for the customers regarding the Nestle products which shows the quality standard of the products. After that the marketing strategy of the company plays its role. From the table no. 3 one thing is also clear that on selected parameters the company is fulfilling the expectations of its customers on quality, image and the brand loyalty. Regarding the marketing strategy the expectations of the customers are more which company is failed to fulfill.

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METHODS OF PROMOTIONAFFECTING CONSUMER PURCHASINGDECISION

In reference to the question which promotional method is affecting you the most, the consumer's response are shown in table no. 4.

TABLE 4: PROMOTIONAL METHODS AFFECTING CONSUMER BUYING BEHAVIOR

Promotional Methods	Mean	SD
Television	4.58	0.70
Print media	3.71	1.29
Brochures	3.01	1.40
Hording	2.82	1.44

(Source: Survey analysis)

It is inferred from the table 4 that respondent have considered 'Television' as the most important promotional method. However we find that most of the promotional factors have been given importance but consumer buying behavior is affected the most by television advertisements in general and particular in case of Nestle.

CONSUMERS BUYING BEHAVIOR AFFECTING BY FEATURES OF ADVERTISEMENTS

In reference to the question which feature of advertising is affecting the consumers most, the response are shown in table no. 5.

TABLE 5: FEATURES OF ADVERTISEMENT AFFECTING PURCHASE OF CONSUMERS

Factors	Nestle Mean	SD	Cadbury Mean	SD	Amul Mean	SD	Parle Mean	SD
Message / Emotion / Value system	4.19	0.93	4	0.82	3.20	1.39	3.48	1.20
Creativity	4.17	0.87	4.16	0.95	4.12	0.77	3.18	1.37
Language	3.68	1.24	3.92	1.06	2.96	1.37	4.56	0.75
Presentation	3.62	1.17	3.22	1.33	2.12	1.12	3.77	1.17
Personality inclined	3.17	1.38	4.44	0.75	2.80	1.34	2.32	1.22

(Source: Survey analysis)

Table no. 5 reveals that regarding the message/emotion/value system and presentation of Nestle is far –far ahead to its competitors Cadbury, Amul & Parle. Regarding the creativity Nestle, Cadbury & Amul are almost at same platform.

BRAND PREFERENCE OF CONSUMERS

When the consumers asked about brand preference their responses are shown in the table 6.

TABLE 6: CONSUMER BRAND PREFERENCE

Brand	Mean	SD
Nestle	4.36	0.88
Cadbury	4.10	0.98
Amul	3.81	1.16
Parle	3.61	1.30

(Source: Survey analysis)

Table 6 shows Nestle topped the preference of product with 4.36 mean of the consumers expressing their preference.

CONSUMER'S REASONS FOR BRAND PREFERENCE

The table 7 is showing the various reasons why consumers prefer the particular brand.

TABLE 7: REASONS FOR CONSUMER BRAND PREFERENCE

Reasons	Nestle Mean	SD	Cadbury Mean	SD	Amul Mean	SD	Parle Mean	SD
Quality	4.47	0.78	4.02	1.15	3.39	1.33	3.11	1.40
Free Gifts	4.28	0.92	4.17	0.87	3.32	1.32	3.54	1.27
Effective Marketing Strategy	4.23	0.91	3.17	1.37	4.19	0.93	3.08	1.41
Festival season	3.68	1.24	3.58	1.15	2.12	1.12	2.8	1.34
Price Offer	3.67	1.2	3	1.36	2.96	1.37	2.8	1.34
Effective Advertisement.	3.24	1.35	3.44	1.24	2.18	1.11	3.08	1.41

The reasons for brand preference have depicted by the Table 7 that because of Quality, free gifts and effective marketing strategy consumer prefer Nestle brand in comparison to other companies.

FINDINGS

The major findings of this study are:

- Advertisement & sales promotion, Festival season and image of Company are the most important factor which influences the consumer buying decision utmost.
- Quality/ flavor/ Taste are the factors of Nestle product which meet the expectations of customer very well.
- The packing of nestle products does not meet the consumers' expectations.
- The most important factors like price, marketing strategy have totally failed to come true on the expectations of customers.
- Advertisement by electronic media (Television promotion) has got maximum mean value (4.58) which clearly reveals that television is the most important method of promotion for influencing consumer buying decision at present.
- In case of print media –Newspaper- has got maximum mean value (3.71) which inducing consumer buying decision.
- The massage and creativity of advertisement are the utmost important factors which help to remember the product as well as brand, ultimately influencing the purchasing of consumers.
- Language and presentation are very important components of any advertisement to influence consumers' purchasing decision. In this regard, the mean value of Language (3.68) and presentation (3.62) of Nestlé's advertisement is less then to its competitors i.e., Cadbury (language = 3.92& presentation=3.22) and Parle (language = 4.56 & presentation=3.77).
- Table no.7 clearly shows that the Nestle enjoys the maximum preference by consumer among its competitors due to quality, free gifts & effective marketing strategy.

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SUGGESTIONS

On the basis of the study following suggestions can be made:

- The company should focus to bring some more flavors and variety of schemes rather than being second and repeat same old one. It is always better to be first.
- Company should concentrate more on satellite channels for advertisement, as mostly people get attracted through television only at present.
- To make advertisement further effective the Nestle people should start or engaged such personality who is matching or truly representing to the Nestle' product because most of the time, it has been observed through the study that people recall the product by personality who is engaged in that advertisement.
- Nestle company should concentrate on its quality of packaging as people are showing their dissatisfaction in this regard.
- People are unsatisfied with the price and quantity of products so companies should concentrate in this regard also.
- Nestle company should focus on its language, presentation and value of advertisement because most of the people remember the advertisement of company only because of these factors.
- The company must be aware of and keep at least the latest knowledge of its primary competitors in market and try to make a perfect anticipated effort to meet the same.
- The company should also use time to time some more and new attractive system of word of mouth advertisement to keep alive the general awareness in the whole market.
- The company should always be in a position to receive continuous feedback and suggestions from its customers.
- A close vigil should be kept on distributors also, because in some cases they are found to be cheating the retailers and affecting the goodwill of the BRAND.

CONCLUSION

If you are providing the best possible quality at reasonable price, the customer defiantly switch over from your competitors firm. There are number of factors which limit the absolute kingdom of customers and advertisement is one of them. So, apart from price and quality the advertisement is another tool to retain as well as gain the new customer in this cut- throat competition. Consumers are no more loyal in today's scenario they are well aware and calculated. By advertisement we can aware them and retain if not forever but for a period of time.

In the last author is thanked to the respondents for their responses and the officials of Nestle for giving their precious time to make our study achievable.

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FACTORS INFLUENCING CAREER CHOICE AMONG ADOLESCENTS

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ABSTRACT

Adolescents are no longer adolescents now days. Their thinking is more of an adult. Right from the time the child is in junior school, his/her thoughts are revolving around the choice of career. Undecided students often need more knowledge to make a decision in general and intervention with them need to focus less on information giving and more on helping them reduce barriers to decision making. The magnitude and stability of individual and socio cultural influence on adolescents' career interests require further investigation.Thus; the present study will examine the stability of career interests of middle and high school students. The current study aims to analize," The influence of certain factors such as the ordinal position, socio-economic status,   and the urban, rural area as factors affecting the adolescents choice in career". "Stratified Random Sampling" method was adopted for selecting the sample.The investigator randomly selected 100 adolescents. From the 100 students, 50 were boys and 50 were girls. The investigator with the help of the class teacher gave them the questionnaire to be filled in & returned. Since, the objective of the study is to find out if there is any significant difference in career choice among adolescents, t – test as a statistical tool is used. The research results acquired indicate that there is no difference in career choice between the first-born and the second born adolescents. It also shows that there is significant difference in the career choice among the lower income group and middle-income group adolescents. There also exists an observable difference in career choice among adolescents coming from the rural and urban areas. It can also be seen that there is a significant difference in career choice among adolescents from middle and higher secondary schools. Hence, it can be concluded that factors, such as ordinal position, economic status (income category) rural & urban areas, and the standard of class does influence the career choice of adolescents.

KEYWORDS
Career choice, adolescents, ordinal position, socio-economic status, gender & urban, rural area.

INTRODUCTION

The study of how adolescents make career decisions, which adolescents are likely to be undecided, and how to improve adolescents' decision making has been an area of research of vocational psychologists for nearly 90 years. Adolescents are no longer adolescents now days. Their thinking is more of an adult. Right from the time the child is in junior school, his/her thoughts are revolving around the choice of career.

But there are many factors that hinder the correct choice of career. Vocational psychologists have gained knowledge of factors that lead to being career undecided or indecisive about a career direction. Undecided students often need more knowledge to make a decision in general and intervention with them need to focus less on information giving and more on helping them reduce barriers to decision making.The magnitude and stability of individual and socio cultural influence on adolescents' career interests require further investigation. Thus, the present study will examine the stability of career interests of middle and high school students.

The present study suggests that there are additional variables to consider when evaluating an adolescents career interests. There remains a need to substantiate the early findings and to further validate Holland's theory. A few gender studies have been done. But few researchers have conducted research on gender differences in relation with these variables. It is also important to focus on those families who reside in rural areas, where exposure to and experience with different occupations may be limited. Therefore if the research touches upon these factors then the counsellors, parents and other family members will be able to assist adolescents with career choice.

AIM

The aim of this study is to examine,
 "The influence of certain factors such as the ordinal position, socio-economic status,   and the urban, rural area of factors affecting the adolescent's choice in career".
Hence, this study is to make schools students, college student's, counsellors and the adolescents themselves to be aware of the factors influencing career choice and how to make career decisions. The adolescents should rise to the challenge. Most adolescents, even in disadvantaged situations, should be optimistic about their future. Many youth should develop to higher level and make valuable contributions to their communities.

OBJECTIVES

The objectives of the research are:
a.   To find out the difference in the career choice in the ordinal position among the adolescents.
b.   To analyse if there is any difference in career choice due to the socio-economic status among the adolescents.
c.   To evaluate the difference in the career choice among the adolescents of rural and urban areas.
d.   To identify if there is any difference between the male and female in their career choice.
Along with this, the various reasons for and against these three variables was taken into consideration.

HYPOTHESIS

The four main Alternate hypotheses are as per following:
1.   There will be a difference in the career choice between the first born and the second born adolescents.
2.   There will be a difference in the career choice among the lower and middle income adolescents.
3.   There will be differences in career choice among adolescents coming from the rural and urban areas.
4.   There will be a difference in the career choice between male and female adolescents.

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METHOD

The sampling technique adopted is **"Stratified Random Sampling"**. The researcher took samples from two high schools, one being in the rural areas of Tuticorin District and the other from the town of Tuticorin. The researcher first went to the high school in the urban area, "**St. Thomas Matriculation High school**". The investigator randomly selected 100 adolescents. From the 100 students, 50 were boys and 50 were girls. The investigator with the help of the class teacher gave them the questionnaire.

From the school in the rural areas, "**St. Xavier High school**", the investigator randomly selected 100 adolescents. She gave the students a brief summary on career choices and interest and then she instructed them as to how to go about filling in the questionnaire. It took one hour for the questionnaire to be completed. Since, the objective of the study is to find out if there is any difference in career choice among adolescents, t – test as a statistical tool is used.

RESULTS AND DISCUSSION

TABLE 1: COMPARISON OF CAREER CHOICE BETWEEN THE FIRST BORN & SECOND BORN ADOLESCENTS

SAMPLE	N	MEAN	S.D	t	LEVEL OF SIGNIFICANCE
FIRST BORN	100	82.86	21.94	1.28	NS
SECOND BORN	100	87.10	22.11		

HYPOTHESIS 1 states that **there will be a difference in the career choice between the first born and the second born adolescents.**

From the above table it can be observed that the mean value for the first born is 82.86 and for the second born is 87.10. The S.D. value is 21.94 and 22.11 respectively. The calculated 't' value is 1.28. Hence, it can be observed that the birth order has no influence in the career choices among the adolescents.
Therefore the hypothesis 1 which is stated above is rejected.

TABLE: 2 COMPARISON OF CAREER CHOICE BETWEEN THE ADOLESCENTS COMING FROM LOWER INCOME AND MIDDLE INCOME GROUPS

SAMPLE	N	MEAN	S.D	t	LEVEL OF SIGNIFICANCE
LOWER INCOME GROUP	100	82.5	20.1	6.5	Significant at .01
MIDDLE INCOME GROUP	100	86.2	22.2		

HYPOTHESIS 2 states that **there will be a difference in the career choice of adolescents hailing from the lower income and middle income group.**

From the above table it can be observed that the mean value for the lower income group of adolescents is 82.5 and for the middle income group of adolescents is 86.2. The S.D. value is 20.1 and 22.2 respectively. The calculated 't' value is 6.5. Hence, there is a significance difference in the career choice between the adolescents coming from the lower and middle socio-economic groups.
Therefore the hypothesis 2 which is stated above is accepted.

HYPOTHESIS 3 **states that there will be differences in career choice among adolescents coming from the urban and rural areas.**
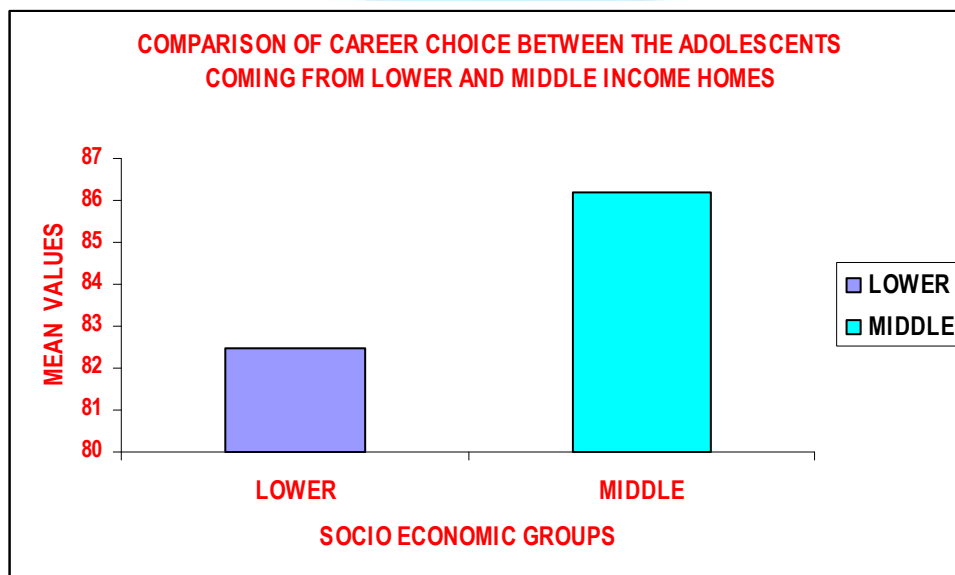
TABLE 3: CAREER CHOICE BETWEEN THE ADOLESCENTS FROM THE URBAN & RURAL AREAS

SAMPLE	N	MEAN	S.D	t	LEVEL OF SIGNIFICANCE
URBAN	100	78.25	17.20	4.36	Significant at .01
RURAL	100	91.71	25.39		

From the above table it can be observed that the mean value for the adolescents coming from the urban area is 78.25 and for the adolescents coming from the rural area is 91.71 and the S.D. value is 17.20 and 25.39 respectively. The calculated 't' value is 4.36. Hence, there is a significant difference in the career choice between the adolescents coming from the urban and rural areas.
Therefore the hypothesis 3 which is stated above is accepted.

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COMPARISON OF CAREER CHOICE OF ADOLESCENTS COMING FROM RURAL AND URBAN AREAS

(Bar chart: MEAN VALUES on y-axis ranging 70–95, SOCIO ECONOMICAL AREA on x-axis. RURAL bar ≈92, URBAN bar ≈78. Legend: RURAL, URBAN)

TABLE 4: CAREER CHOICE BETWEEN THE MALE AND FEMALE ADOLESCENTS

SAMPLE	N	MEAN	S.D	t	LEVEL OF SIGNIFICANCE
MALE	100	75.63	19.33	6.71	Significant at .01
FEMALE	100	94.02	20.67		

HYPOTHESIS 4 states that **there will be a difference in the career choice for male and female adolescents.**
From the above table it can be observed that the mean value for the male adolescents is 75.63 and for the female adolescents is 94.02. The S.D. value is 19.33 and 20.67 respectively. The calculated 't' value is 6.71. Hence, there is a significant difference in the career choice between the male and female adolescents. **Therefore the hypothesis 4 which is stated above is accepted.**

COMPARISON OF CAREER CHOICE BETWEEN MALES AND FEMALES

(Bar chart: y-axis 0–12. MALE bar ≈10.5, FEMALE bar ≈8. Legend: MALE, FEMALE)
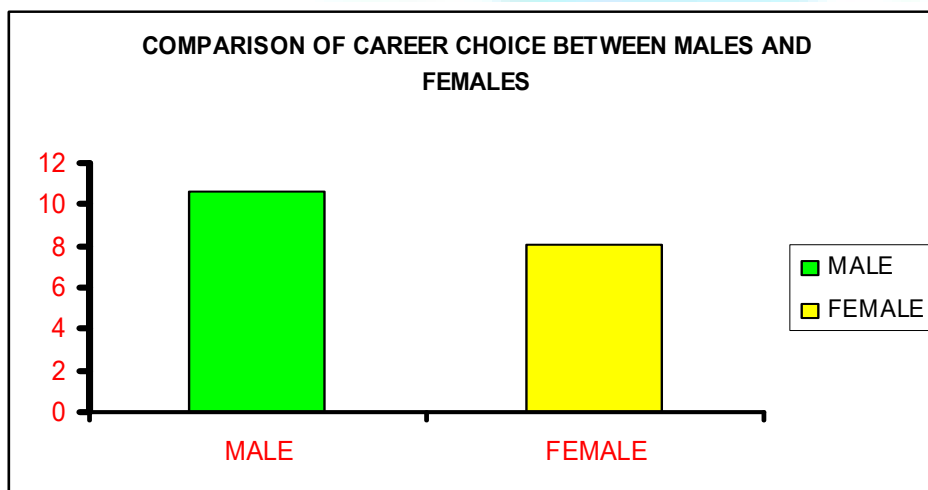
CONCLUSION

In the present research career choice remains as nominal variable, while the other demographic variable is studied to see if they influence the career choice. There are 10 Dimensions of career choice. Each dimension of the career choice was individually analyzed in comparison with the demographic variable. Some of the insights arrived from the analysis are: Ordinal position of the adolescents show significant difference in Musical & Linguistic area alone, while others have no significant difference. Socio-economic status of the adolescents indicated that there exists significant difference in all the dimensions of career choice except for Musical area alone. Urban vs rural area of the adolescents showed significant difference in most of the career choice areas except for computational, linguistic & artistic area. And finally for the gender it was found that except for biological science area of career choice other all areas showed significant difference.
Hence, based on these individual analysis of various dimensions, result for overall career choice was carried out using the total score of individual on the full career choice scale.
It is observed, that there is no difference in career choice between the first-born and the second born adolescents. The present research findings reveal that there is a difference in the career choice among the lower income group and middle-income group adolescents. There is a difference in career choice among adolescents coming from the rural and urban areas. There is a difference in the career choice for male and female adolescents.
In today's social milieu, with broadening horizons of education, the issue of career is steadily gaining prominence. With the emergence of the global village, careers have become the core issue of human existence - the pathway to a bright future. (**National Network of Education**)
So we as Career Counsellors must stretch our hands and help the adolescents to make a decision when it comes to their future. We must encourage their parents as well as the teachers to get to know their child's/ student's interests and encourage them towards it.

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DIVERGENCES BETWEEN INDIAN ACCOUNTING STANDARDS (ASs) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

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ABSTRACT

The forces of globalization prompt more and more countries to open their doors to foreign investment; and as businesses expand across borders the need arises to recognise the benefits of having commonly accepted and understood financial reporting standards. The sound financial reporting standards underline the trust that investors place in financial reporting information; and thus play an important role in contributing to the economic development of a country The International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) are increasingly being recognized as Global Reporting Standards. More than 100 countries such as countries of European Union, Australia, New Zealand, and Russia currently require or permit the use of IFRSs in their countries. Now, as the world globalises, it has become imperative for India also to make a formal strategy for convergence with IFRSs with the objective to harmonise with globally accepted accounting standards. Such converged accounting standards also aim at bringing more transparency in financial matters, thus seek to protect the interests of investors and improve standards of good corporate governance. They would also enhance the global competitiveness of Indian Industry. This conceptual paper examines various divergences between Indian Accounting Standards (ASs) and International Financial Reporting Standards (IFRs) and discusses the relevance of convergence of Indian Accounting Standards (ASs) with International Financial Reporting Standards (IFRSs).

KEYWORDS

Indian Accounting Standards (ASs), International Financial Reporting Standards (IFRSs), Convergence, Segment Reporting, Party Disclosures.

INTRODUCTION

A financial reporting system supported by strong governance, high quality standards, and firm regulatory framework is the key to economic development. Indeed, sound financial reporting standards underline the trust that investors place in financial reporting information and thus play an important role in contributing to the economic development of a country. The accounting standards-formulating body in the country has always made efforts to formulate high quality Accounting Standards and has been successful in doing so. Indian Accounting Standards have withstood the test of time. As the world continues to globalise, discussion on convergence of national accounting standards with International Financial Reporting Standards (IFRSs) 1 has increased significantly.

The forces of globalisation prompt more and more countries to open their doors to foreign investment and as businesses expand across borders the need arises to recognise the benefits of having commonly accepted and understood financial reporting standards. In this scenario of globalisation, India cannot insulate itself from the developments taking place worldwide. In India, so far as the ICAI and the Governmental authorities such as the National Advisory Committee on Accounting Standards established under the Companies Act, 1956, and various regulators such as Securities and Exchange Board of India and Reserve Bank of India are concerned, the aim has always been to comply with the IFRSs to the extent possible with the objective to formulate sound financial reporting standards. The ICAI, being a member of the International Federation of Accountants (IFAC), considers the IFRSs and tries to integrate them, to the extent possible, in the light of the laws, customs, practices and business environment prevailing in India. The Preface to the Statements of Accounting Standards, issued by the ICAI, categorically recognises the same. Although, the focus has always been on developing high quality standards, resulting in transparent and comparable financial statements, deviations from IFRSs were made where it was considered that these were not consistent with the laws and business environment prevailing within the country. Now, as the world globalises, it has become imperative for India also to make a formal strategy for convergence with IFRSs with the objective to harmonise with globally accepted accounting standards.

The use of different accounting frameworks in different countries, which require inconsistent treatment and presentation of the same underlying economic transactions, creates confusion for users of financial statements. This confusion leads to inefficiency in capital markets across the world. Therefore, increasing complexity of business transactions and globalisation of capital markets call for a single set of high quality accounting standards. High standards of financial reporting underpin the trust investors place in financial and non-financial information. Thus, the case for a single set of globally accepted accounting standards has prompted many countries to pursue convergence of national accounting standards with IFRSs.

The International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) are increasingly being recognised as Global reporting Standards. More than 100 countries such as countries of European Union, Australia, New Zealand, and Russia currently require or permit the use of IFRSs in their countries. Countries such as China and Canada have announced their intention to adopt FRSs. Presently, the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (ICAI) formulates Accounting Standards (ASs) based on the IFRSs. Keeping in view the local conditions including legal and economic environment, which have recently been notified by the Central Government under the Companies Act, 1956.

Accordingly, the ASs departs from the corresponding IFRSs to maintain consistency with legal, regulatory and economic environment, and keeping in view the level of preparedness of the industry and the accounting professionals. In some cases, departures re made on account of conceptual differences with the treatments prescribed in the IFRSs. keeping in view the complex nature of IFRSs and the extent of differences between the existing ASs and the corresponding IFRSs and the reasons therefore, the ICAI is of the view that IFRSs should be adopted for the public interest entities such as listed entities, banks and insurance entities and large-sized entities from the accounting periods beginning on or after 1st April, 2011. The countries which have adopted IFRSs have done so for similar types of Entities

The format of IFRSs to be adopted for public interest entities should be the same as that of IFRSs, including their numbers. The numbers of the existing Accounting Standards may be given in brackets for the purpose of easier identification. Wherever required, a section may be added at the end of the adopted IFRS indicating the Indian legal and regulatory position.. The IFRSs when adopted will also take into account the International Financial Reporting Interpretations

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issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. Only in rare circumstances of public interest carve out from an IFRS may be made.

LITERATURE REVIEW

Enforcement of globalization is continuously changing the global business environment in recent years. The financial reporting system of the individual country obviously has to be accordance with. Therefore, a number of researches have been done in this sphere to make efforts to develop the symmetry in local and international standards.

As per 'Blueprint for Tax Implications' issued by Australian   International Financial Reporting Standards (2005), "As AIFRS has to be adopted by Australian taxpayers in reporting their financial accounts, where the tax system has a direct or indirect link to accounting standards, we need to acknowledge changes to avoid any unintended tax consequences. The administration is aligned with the Government's intent of enabling more effective comparable corporate reporting and governance processes, reducing the cost of capital in Australia and improving access to foreign capital for Australian entities resulting in a stronger economy. The arguments in favour of international convergence of accounting standards are compelling and include facilitation of cross border listings, financial statement comparability for investors, reducing the cost of capital in Australia and improving access to foreign capital for Australian entities. Generally, Australian income tax law has evolved relatively independently from Australian accounting standards, however, in recent years; there has been a convergence of accounting standards and income tax law particularly in consolidation. There are a number of provisions in Australian income tax law that either directly or indirectly rely on accounting standards and accounting principles for the purposes of determining a taxpayers' income tax liability. As a result, any change in the established accounting framework and standards has the potential to impact on income tax, non-income tax and transfer liability at the individual entity level, and ultimately revenue collections/transfer at the aggregate level.

Christopher S. Armstrong et al. (2008) commenting on adoption of IFRS say, "We find an incremental positive reaction for banks with lower pre-adoption information quality, which is consistent with investors expecting improvements in information quality – including any associated with adoption of the controversial IAS 39 – for these firms. We also find that investors react less positively for firms domiciled in code law countries, which are likely to have weaker enforcement of accounting standards. Regarding expected convergence benefits, we find a positive reaction to IFRS adoption events even for firms with high quality pre-adoption information environments. To the extent investors expect IFRS adoption to only minimally affect the information environments of these firms, this finding is consistent with investors expecting net benefits associated with convergence from IFRS adoption."

Holger Daske et al. (2008) write, "We analyze the effects on market liquidity, cost of capital and Tobin's q in 26 countries using a large sample of firms that are mandated to adopt IFRS. We find that, on average, market liquidity increases around the time of the introduction of IFRS. We also document a decrease in firms' cost of capital and an increase in equity valuations, but only if we account for the possibility that the effects occur prior to the official adoption date. Partitioning our sample, we find that the capital-market benefits occur only in countries where firms have incentives to be transparent and where legal enforcement is strong, underscoring the central importance of firms' reporting incentives and countries' enforcement regimes for the quality of financial reporting. Comparing mandatory and voluntary adopters, we find that the capital market effects are most pronounced for firms that voluntarily switch to IFRS, both in the year when they switch and again later, when IFRS become mandatory. While the former result is likely due to self-selection, the latter result cautions us to attribute the capital-market effects for mandatory adopters solely or even primarily to the IFRS mandate. Many adopting countries have made concurrent efforts to improve enforcement and governance regimes, which likely play into our findings. Consistent with this interpretation, the estimated liquidity improvements are smaller in magnitude when we analyze them on a monthly basis, which is more likely to isolate IFRS reporting effects."

Studying the suitability of proposed IFRS for SMEs to Micro-Entities through focus group interviews of users, Helene Kennedy (2008) concludes, "Focus group participants indicated that the current exposure draft of the IFRS for SMEs appears to be too complex for micro-entities - defined as entities with fewer than 10 employees - and suggested that relatively minor changes to the current draft might not be sufficient to address this concern. Participants who supported the development of a separate set of accounting guidance for micro-entities generally felt that two levels should be developed: a concise version that would be easy for business owners to follow and understand and a more technical version for preparers of financial statements. In addition, there was general support for some form of attestation, such as a statement made by the professional accountant, to be attached to the financial reports of micro-entities."

In the view of Ernst & Young (2009), "It is not surprising that many people who follow the development of worldwide accounting standards today might be confused. Convergence is a high priority on the agendas of both the US Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) — and "convergence" is a term that suggests elimination or coming together of differences. Yet much is still made of the many differences that exist between US GAAP as promulgated by the FASB and International Financial Reporting Standards (IFRS) as promulgated by the IASB, suggesting that the two GAAPs continue to speak languages that are worlds apart. This apparent contradiction has prompted many to ask just how different are the two sets of standards? And where differences exist, why do they exist, and when, if ever, will they be eliminated? we take a top level look into these questions and provide an overview, by accounting area, both of where the standards are similar and also where they diverge. While the US and international standards do contain differences, the general principles, conceptual framework, and accounting results between them are often the same or similar, even though the areas of divergence seem to have disproportionately overshadowed these similarities. We believe that any discussion of this topic should not lose sight of the fact that the two sets of standards are generally more alike than different for most commonly encountered transactions, with IFRS being largely, but not entirely, grounded in the same basic principles as US GAAP"

According to Shyam Sunder (2011), "The links among better financial reporting, better markets, and better economy and society are arguable, but they remain poorly understood. The addition of IFRS to the set of available alternatives may improve these linkages, but granting them monopoly status does not. Claims that the universal adoption of IFRS as a single set of high-quality principles-based standards will yield global comparability are overblown. Accounting standards operate less like a uniform system of weights and measures and more like a single currency, in that both play multiple roles in modern economies. An IFRS monopoly is evolutionarily disadvantageous in that it eliminates the opportunity to compare alternative practices and learn from them. It also disallows the tailoring of financial reporting to local variations in economic, business, commercial, legal, auditing, regulatory, and governance conditions across the globe. Empirical studies of statistical co-variation across financial reports produced by IFRS have yielded mixed results and, in any case, provide little insight as to the merits of granting IFRS a world monopoly. The vociferous campaign in support of IFRS monopoly is reminiscent of the 1990s campaign in support of the now-discredited "Washington Consensus." Then, as now, it was a case of promoting theoretical benefits while obscuring potential costs and risks. This is the familiar story of the pied piper leading his trusting victims to their doom."

MAJOR DIFFERENCES IN INDIAN ACCOUNTING STANDARDS (AS$_S$) FROM THE CORRESPONDING INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS$_S$)

1.   INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-1 VERSUS INDIAN ACCOUNTING STANDARDS AS-1

International Financial Reporting Standards	IAS-1	Presentation of Financial Statements
Indian Accounting Standards	AS-1	Disclosure of Accounting Policies

AS-1 is based on the pre-revised IAS 1. AS-1 is presently under revision to bring it in line with the current IAS 1. The Exposure Draft of the revised AS 1 is being finalised on the basis of the comments received on its limited exposure amongst the specified outside bodies. The major differences between IAS 1 and the draft revised AS-1 are discussed hereinafter.

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- **DIFFERENCES DUE TO REMOVAL OF ALTERNATIVES:**
1) Unlike IAS 1, the draft of revised AS 1 does not provide any option with regard to the presentation of 'Statement of Changes in Equity'. It requires statement showing all changes in the equity to be presented. The IASB has recently issued an Exposure Draft of the proposed Amendments to IAS 1. The Exposure Draft proposes to remove the option given in IAS 1 and to require the presentation of statement showing all changes in the equity which is in line with the decisions taken by the ASB of the ICAI.
2) Unlike IAS 1, the draft of revised AS 1 does not provide any option with regard to additional disclosures regarding share capital, e.g., number of shares authorised, issued, fully paid, etc. and regarding nature and purpose of reserves, etc., to be made on the face of the balance sheet or in the notes. Considering the information overload, the draft of revised AS-1 requires this information to be presented only in the notes and schedules and not on the face of the balance sheet.

- **DIFFERENCES DUE TO LEGAL AND REGULATORY ENVIRONMENT:**
1) In India, the laws governing the companies, banking enterprises and insurance enterprises prescribe detailed formats for the financial statements to be followed by respective enterprises. To make the revised AS 1 acceptable to the law makers/ regulators, the ASB has decided to give detailed formats for financial statements for companies in an Appendix. In the Appendix, mainly additional disclosures as compared to IAS 1 are proposed to be given.

- **CONCEPTUAL DIFFERENCES:**
2) IAS 1 requires that if different measurement bases are used for different classes of assets, they should be presented as separate line items on the face of the balance sheet. It is felt that requiring bifurcation of assets on the basis of different measurement bases on the face of the balance sheet itself would result in information overload. Keeping this in view, the draft of the proposed revised AS 1 does not require separate presentation of such assets on the face of the balance sheet; rather, it requires separate presentation of such assets to be made in the schedules and notes.

1. **INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-2 VERSUS INDIAN ACCOUNTING STANDARDS AS-2**

International Financial Reporting Standards	IAS-2	Inventories
Indian Accounting Standards	AS-2	Valuation of Inventories

AS 2 is based on IAS 2 (revised 1993). IAS 2 has been revised in 2003 as a part of the IASB's improvement project. Major differences between AS 2 and IAS 2 (revised 2003) are as follows:

- **DIFFERENCES DUE TO LEVEL OF PREPAREDNESS:**
1) IAS 2 specifically deals with costs of inventories of an enterprise providing services. However, keeping in view the level of understanding that was prevailing in the country regarding the treatment of inventories of an enterprise providing services at the time of last revision of AS 2, the same are excluded from the scope of AS 2
2) Keeping in view the level of preparedness in the country at the time of last revision of AS 2, AS 2 requires lesser disclosures as compared to IAS 2.
3) IAS 2 specifically provides that the measurement requirements of the Standard do not apply to the measurement of inventories held by commodity broker/traders who measure their inventories at fair value less costs to sell. AS 2 does not contain any exclusion or separate provisions relating to inventories held by commodity broker-traders. (Broker-traders are those who buy or sell commodities for others or on their own account. The inventories are principally acquired by a broker-trader with the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin.) By implication, the measurement basis laid down in the standard, viz., lower of cost and net realisable value, applies to inventories of commodity trader-brokers.

- **CONCEPTUAL DIFFERENCE:**
4) AS 2 specifically excludes "selling and distribution costs" from the cost of Inventories and provides that it is appropriate to recognise them as expenses in the period in which they are incurred. However IAS 2 excludes only "Selling Costs" and not "Distribution Costs".
5) AS 2 does not deal with the issues relating to recognition of inventories as an expense including the write down of inventories to net realisable value and any reversal of such write down.
6) AS 2 provides that the cost of inventories of items other than those which are not ordinarily interchangeable and goods or services produced and segregated for specific projects should be assigned by using the first-in, first-out (FIFO), or weighted average cost formula. It is specifically required by AS 2 that the formula used should reflect the fairest possible approximation to the cost incurred in bringing the items of inventory to their present location and condition. However IAS 2 does not require the same for the choice of the formula to be used, rather it requires that same cost formula should be used for all inventories having a similar nature and use to the entity.

2. **INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-7 VERSUS INDIAN ACCOUNTING STANDARDS AS-3**

International Financial Reporting Standards	IAS-7	Cash Flow Statements
Indian Accounting Standards	AS-3	Cash Flow Statements

AS 3 is based on the current IAS 7. The major differences between IAS 7 and AS 3 are as below:

- **DIFFERENCES DUE TO REMOVAL OF ALTERNATIVES**
1) In case of enterprises other than financial enterprises, unlike IAS 7, AS 3 does not provide any option with regard to classification of interest paid. It requires interest paid to be classified as financing cash flows.
2) In case of enterprises other than financial enterprises, AS 3 does not provide any option with regard to classification of interest and dividend received. It requires interest and dividend received to be classified as investing cash flows.
3) AS 3 also does not provide any option regarding classification of dividend paid. It requires dividend paid to be classified as financing cash flows.

3. **INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-10 VERSUS INDIAN ACCOUNTING STANDARDS AS-4**

International Financial Reporting Standards	IAS-10	Events After the Balance Sheet Date
Indian Accounting Standards	AS-4	Contingencies and Events Occurring after the Balance Sheet Date

AS 4 is based on the pre-revised IAS 10 which dealt with the Contingencies as well as the Events Occurring after the Balance Sheet Date. Recently, on the lines of IAS 37, the ICAI has issued AS 29. Pursuant to the issuance of AS 29, the portion of AS 4 dealing with the Contingencies, except to the extent of impairment of assets not covered by other 40 accounting standards, stands superseded. AS 4 now deals with the Events after the Balance Sheet Date. AS 4 is presently under revision to bring it in line with the corresponding IAS 10. The major differences between IAS 10 and AS 4 are as below:

- **DIFFERENCE DUE TO LEGAL AND REGULATORY ENVIRONMENT**
1) As per IAS 10, proposed dividend is a non-adjusting event. However, as per the Indian law governing companies, provision for proposed dividend is required to be made, probably as a measure of greater accountability of the company concerned towards investors in respect of payment of dividend. While attempts are made, from time to time, at various levels, to persuade the Government for changes in law; it is a time-consuming process.
2) As per IAS 10, non-adjusting events, which are material, are required to be disclosed in the financial statements. However as per AS 4, such disclosures are required to be made in the report of the approving authority and not in the financial statements.

4. **INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-14 VERSUS INDIAN ACCOUNTING STANDARDS AS-17**

International Financial Reporting Standards	IAS-14	Segment Reporting
Indian Accounting Standards	AS-17	Segment Reporting

AS 17 is based on the current IAS 14. The major differences between IAS 14 and AS 17 are described hereinafter.

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- **DIFFERENCES DUE TO REMOVAL OF ALTERNATIVES**
1) IAS 14 encourages, but does not require, the reporting of vertically integrated activities as separate segments. However, under AS 17, in case a vertically integrated segment meets the quantitative norms for being a reportable segment, the relevant disclosures are required to be made.
2) As per IAS 14, a segment identified as a reportable segment in the immediately preceding period on satisfying the relevant 10% threshold, shall be reportable segment in the current period also if the management judges it to be of continuing significance. However as per AS 17, this reporting is mandatory without considering the management's judgment.
- **DIFFERENCES DUE TO LEVEL OF PREPAREDNESS**
3) IAS 14 prescribes certain additional disclosure requirements regarding enterprise's share of profit or loss of associates and joint ventures and regarding restatement of prior year information, etc. At the time of issuance of AS 17, there were no Accounting Standards in India dealing with accounting for investments in associates and joint ventures, etc. Accordingly, these disclosures are not specifically covered in AS 17.
4) As per IAS 14, for a segment to qualify as a reportable segment, it is required for it to earn the majority of its revenue from external customers in addition to meeting the 10% threshold criteria of revenue, operating results or total assets required in AS 17.
5. **INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-16 VERSUS INDIAN ACCOUNTING STANDARDS AS-10**

International Financial Reporting Standards	IAS-16	Property, Plant and Equipment
Indian Accounting Standards	AS-10	Accounting for Fixed Assets

AS 10 is based on the earlier IAS 16. AS 10 is being revised to bring it in line with the current IAS 16. The draft revised AS 10 has been approved by the Council and the same has also been considered by the NACAS at its last meeting. The NACAS made certain suggestions and the views of the Accounting Standards Board on such suggestions will be placed before the NACAS at its next meeting. The following is the major difference between IAS 16 and draft revised AS 10

- **DIFFERENCES DUE TO LEGAL AND REGULATORY ENVIRONMENT**
1) In India, the law governing the companies prescribes minimum rates of depreciation. Keeping this in view, the revised AS 10 recognises that depreciation rates prescribed by the statute would be the minimum rates of depreciation.
6. **INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-17 VERSUS INDIAN ACCOUNTING STANDARDS AS-19**

International Financial Reporting Standards	IAS-17	Leases
Indian Accounting Standards	AS-19	Leases

AS 19 is based on IAS 17 (revised 1997). IAS 17 has been revised in 2004. The major differences between IAS 17 and AS 19(revised 2004) are described hereinafter.

- **CONCEPTUAL DIFFERENCES**
1) Keeping in view the peculiar land lease practices in the country, lease agreements to use lands are specifically excluded from the scope of AS 19 whereas IAS 17 does not contain this exclusion.
2) IAS 17 specifically provides that the Standard shall not be applied as the basis of measurement for:
(a) property held by lessees that are accounted for as investment property;
(b) investment property provided by lessors under operating leases;
(c) biological assets held by lessees under finance leases; or
(d) biological assets provided by lessors under operating leases
However, AS 19 does not exclude the above from its scope.
3) AS 19 specifically prohibits upward revision in estimate of unguaranteed residual value during the lease term. However IAS 17 does not prohibit the same.
4) As per IAS 17 initial direct costs incurred by a lessor other than a manufacturer or dealer lessor have to be included in amount of lease receivable in the case of finance lease resulting in reduced amount of income to be recognised over lease term and in the carrying amount of the asset in the case of operating lease as to expense it over the lease term on the same basis as the lease income. However, as per AS 19, these can be either charged off at the time of incurrence in the statement of profit and loss or can be amortised over the lease period.
7. **INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-19 VERSUS INDIAN ACCOUNTING STANDARDS AS-15**

International Financial Reporting Standards	IAS-19	Employee Benefits
Indian Accounting Standards	AS-15	Employee Benefits

AS 15 is based on the current IAS 19. The major differences between IAS 19 and AS 15 are described hereinafter.

- **DIFFERENCE DUE TO REMOVAL OF ALTERNATIVES**
1) Unlike IAS 19, AS 15 does not provide any option with regard to recognition of actuarial gains and losses. It requires such gains and losses to be recognized immediately in the statement of profit and loss.
- **CONCEPTUAL DIFFERENCE**
2) Regarding recognition of termination benefits as a liability, it is felt that merely on the basis of a detailed formal plan, it would not be appropriate to recognise a provision since a liability cannot be considered to be crystallised at this stage. Accordingly, AS 15 provides criteria for recognition of a provision for liability in respect of termination benefits on the basis of the general criteria for recognition of provision as per AS 29, Provisions, Contingent Liabilities and Contingent Assets (corresponding to IAS 37). It may be noted that the IASB has recently issued an Exposure Draft of the proposed Amendments to IAS 19 whereby the criteria regarding recognition of termination benefits as a liability are proposed to be amended. The Exposure Draft proposes that voluntary termination benefits should be recognised when employees accept the entity's offer of those benefits. We, in our comments on the Exposure Draft, have pointed out that in a country such as India, such a requirement would give erroneous results since the schemes generally have the following characteristics in terms of the steps involved in implementing the scheme:
(i) Announcement of the scheme by an employer, which is considered as an 'invitation to offer' to the employees rather than the offer to the employees for voluntary termination of their services.
(ii) Employees tender their applications under the scheme. This does not confer any right to the employees under the scheme to claim termination benefits. In other words, tendering of application by an employee is considered as an 'offer' in response to 'invitation to offer', rather than acceptance of the offer by the employee.
(iii) The acceptance of the offer made by the employees as per (ii) above by the management.
Keeping in view the above, we have suggested that as per the above scheme, liabilities with regard to voluntary termination benefits should be recognized at the time when the management accepts the offer of the employees rather than at the time the employees tender their applications in response to the 'invitation to offer' made by the management. If our comments on the Exposure Draft are accepted, the amended criteria in IAS 19 would result into recognition of the liability broadly at the same time as under the criteria prescribed in AS 15. Incidentally, it may be mentioned that the treatment prescribed in AS 15 is also in consonance with the legal position in India.
8. **INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-21 VERSUS INDIAN ACCOUNTING STANDARDS AS-11**

International Financial Reporting Standards	IAS-21	The Effects of Changes in Foreign Exchange Rates
Indian Accounting Standards	AS-11	The Effects of Changes in Foreign Exchange Rates

- **DIFFERENCE DUE TO LEVEL OF PREPAREDNESS**
1) AS 11 is based on the integral and non-integral foreign operations approach, i.e., the approach which was followed in the earlier IAS 21 (revised 1993).

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2) The current IAS 21, which is based on 'Functional Currency' approach, gives similar results as that under pre-revised IAS 21, which was based on integral /non-integral foreign operations approach. Accordingly, there are no significant differences between IAS 21 and AS 11.

3) The current AS 11 has recently become effective, i.e., from 1-4-2004. It is felt that some experience should be gained before shifting to the current IAS 21.

9. INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-24 VERSUS INDIAN ACCOUNTING STANDARDS AS-18

International Financial Reporting Standards	IAS-24	Related Party Disclosures
Indian Accounting Standards	AS-18	Related Party Disclosures

AS 18 is based on IAS 24 (reformatted 1994) and following are the major differences between the two.

- **CONCEPTUAL DIFFERENCES**

1) According to AS 18, as notified by the Government, a non-executive director of a company should not be considered as a key management person by virtue of merely his being a director unless he has the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise. However, IAS 24 provides for including non-executive director in key management personnel.

2) In AS 18 the term 'relative' is defined as "the spouse, son, daughter, brother, sister, father and mother who may be expected to influence, or be influenced by, that individual in his/her dealings with the reporting enterprise" whereas the comparable concept in IAS 36 is that of 'close members of the family of an individual' who are "those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include:

(a) the individual's domestic partner and children;

(b) children of the individual's domestic partner; and

(c) Dependants of the individual or the individual's domestic partner."

10. INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-27 VERSUS INDIAN ACCOUNTING STANDARDS AS-21

International Financial Reporting Standards	IAS-27	Consolidated and Separate Financial Statements
Indian Accounting Standards	AS-21	Consolidated Financial Statements

AS 21 is based on IAS 27 (revised 2000). Revisions made to IAS 27 are being looked into by the ASB of the ICAI.

- **DIFFERENCE DUE TO LEGAL AND REGULATORY ENVIRONMENT**

Keeping in view the requirements of the law governing the companies, AS 21 defines control as ownership of more than one-half of the voting power of an enterprise or as control over the composition of the governing body of an enterprise so as to obtain economic benefits. This definition is different from IAS 27, which defines control as "the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities".

- **CONCEPTUAL DIFFERENCES**

Goodwill/Capital reserve is calculated by computing the difference between the cost to the parent of its investment in the subsidiary and the parent's portion of equity in the subsidiary in AS 21 whereas in IAS 27 fair value approach is followed.

11. INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-31 VERSUS INDIAN ACCOUNTING STANDARDS AS-27

International Financial Reporting Standards	IAS-31	Interests in Joint Ventures
Indian Accounting Standards	AS-27	Financial Reporting of Interests in Joint Ventures

AS 27 is based on the IAS 31 (revised 2000). Revisions made to IAS 31 are being looked into by the ASB of the ICAI.

- **DIFFERENCE DUE TO REMOVAL OF ALTERNATIVES**

1) Unlike IAS 31, AS 27 does not provide any option for accounting of interests in jointly controlled entities in the consolidated financial statements of the venturer. It requires proportionate consolidation to be followed and venturer's share of each of the assets, liabilities, income and expenses of a jointly controlled entity to be reported as separate line items.50

- **CONCEPTUAL DIFFERENCES**

2) The conceptual differences, explained in relation to IAS 27, are relevant in this case also.

12. INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-33 VERSUS INDIAN ACCOUNTING STANDARDS AS-20

International Financial Reporting Standards	IAS-33	Earnings Per Share
Indian Accounting Standards	AS-20	Earnings Per Share

AS 20 is based on the IAS 33 (issued 1997). Revisions made to IAS 33 are being looked into by the ASB of the ICAI.

- **DIFFERENCES DUE TO LEVEL OF PREPAREDNESS**

1) As per IAS 33 revised, basic and diluted amounts per share for the discontinued operation are required to be disclosed. However AS 20 does not require such disclosures.

2) IAS 33 revised requires the disclosure of anti-dilutive instruments also which is not required by AS 20.

13. INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-34 INTERIM FINANCIAL REPORTING VERSUS INDIAN ACCOUNTING STANDARDS AS-25 INTERIM FINANCIAL REPORTING

International Financial Reporting Standards	IAS-34	Interim Financial Reporting
Indian Accounting Standards	AS-25	Interim Financial Reporting

AS 25 is based on the current IAS 34. The major differences between IAS 34 and AS 25 are described hereinafter.

- **DIFFERENCES DUE TO LEGAL AND REGULATORY ENVIRONMENT**

1) In India, at present, the statement of changes in equity is not presented in the annual financial statements since, as per the law, this information is required to be disclosed partly in the profit and loss account below the line and partly in the balance sheet and schedules thereto. Keeping this in view, unlike IAS 34, AS 25 presently does not require presentation of the condensed statement of changes in equity. However as a result of proposed revision to AS 1, limited revision to AS 25 has also been proposed, which requires to present the condensed statement of changes in equity as part of condensed financial statements and limited exposure for the same has been made.

2) Keeping in view the legal and regulatory requirements prevailing in India, AS 25 provides that in case a statute or a regulator requires an enterprise to prepare and present interim information in a different form and/or contents, then that format has to be followed. However, the recognition and measurement principles as laid down in AS 25 have to be applied in respect of such information.

14. INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-37 VERSUS INDIAN ACCOUNTING STANDARDS AS-29

International Financial Reporting Standards	IAS-37	Provisions, Contingent Liabilities and Contingent Assets
Indian Accounting Standards	AS-29	Provisions, Contingent Liabilities and Contingent Assets

AS 29 is based on the current IAS 37. The major differences between IAS 37 and AS 29 are described hereinafter.

- **DIFFERENCE DUE TO LEVEL OF PREPAREDNESS**

1) AS 29 requires that the amount of a provision should not be discounted to its present value since financial statements in India are prepared generally on historical cost basis and not on present value basis. However a limited revision is being proposed to bring it in line with IAS 39 insofar as this aspect is concerned.

- **CONCEPTUAL DIFFERENCES**

2) IAS 37 deals with 'constructive obligation' in the context of creation of a provision. The effect of recognizing provision on the basis of constructive obligation is that, in some cases, provision will be required to be recognised at an early stage. For example, in case of a restructuring, a constructive obligation arises when an enterprise has a detailed formal plan for the restructuring and the enterprise has raised a valid expectation in those affected that

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it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. It is felt that merely on the basis of a detailed formal plan and announcement thereof, it would not be appropriate to recognise a provision since a liability cannot be considered to be crystalised at this stage. Further, the judgment whether the management has raised valid expectations in those affected may be a matter of considerable argument. In view of the above, AS 29 does not specifically deal with 'constructive obligation'. AS 29, however, requires a provision to be created in respect of obligations arising from normal business practice, custom and a desire to maintain good business relations or act in an equitable manner. In such cases, general criteria for recognition of provision are required to be applied.

Incidentally, it may be mentioned that the treatment prescribed in AS 29 is also in consonance with the legal position in India.

3)   Unlike IAS 37, as a measure of prudence, AS 29 does not require contingent assets to be disclosed in the financial statements.

15.   INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS-38 VERSUS INDIAN ACCOUNTING STANDARDS AS-26

International Financial Reporting Standards	IAS-38	Intangible Assets
Indian Accounting Standards	AS-26	Intangible Assets

AS 26 is based on IAS 38 (issued 1998). IASB, as a part of its project on Business Combinations, has revised IAS 38.These revisions to IAS 38 would be looked into by the ASB with the issuance of the Accounting Standard on Business Combinations. Following are the major differences between AS 26 and IAS 38:

- **CONCEPTUAL DIFFERENCES**

1)   An intangible asset is defined as an identifiable nonmonetary asset, without physical substance, held for use in the production or supply of goods or services, for rental to others, or for administrative purposes whereas IAS 38 defines an intangible asset 'as an identifiable non-monetary asset without physical substance'.

2)   AS 26 is based on the assumption that the useful life of the intangible asset is always definite. In regard to assets with definite life also there is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Whereas IAS 36 recognises that an intangible asset may have an indefinite life. In respect of intangible assets having a definite life, the Standard does not contain rebuttable presumption about their useful life. As per AS 26 if control over the future economic benefits from an intangible asset is achieved through legal rights that have been granted for a finite period, it is required that the useful life of the intangible asset should not exceed the period of the legal rights unless:

(a)   the legal rights are renewable; and

(b)   renewal is virtually certain.

However, IAS 38 requires evidence to support renewal instead of virtual certainty for renewal.

REASONS FOR DIFFERENCE FROM IFRS$_S$

1)   ECONOMIC ENVIRONMENT

The economic environment of a country plays an important role in prescribing the accounting requirements applicable to various enterprises. For instance, while various IFRSs have been based on the fair value approach, there has been reluctance in India to adopt this approach in view of the fact that various markets in the country have not been considered to possess necessary depth and breadth providing reliable fair values on measurement of various assets and liabilities. For example, Accounting Standard (AS) 13, Accounting for Investments, requires current investments to be valued at the lower of cost and fair value whereas the corresponding IAS 39, Financial Instruments: Recognition and Measurement, requires measurement of similar investments at fair value. It may, however, be mentioned that the ICAI, with changing economic environment in the country, is now proposing measurement of financial assets of trading nature at fair value in the Exposure Draft corresponding to IAS 39.

2)   LEVEL OF PREPAREDNESS

In a few stray cases, the Indian Accounting standards deviate from IFRSs because adoption of IFRSs verbatim may cause hardship to the industry and, to avoid the same, modifications are made in Accounting Standards until the industry is prepared for the IFRSs. For example, AS 15 (revised), Employee Benefits, permits deferment of expenditure incurred on account of termination of services arising in a voluntary retirement scheme for a transitional period, in view of the fact that the Indian industry was undergoing a structural change at the time when the standard was introduced, whereas the corresponding IAS 19, Employee Benefits, does not allow the deferment of such expenditure even as a transitional measure.

3)   CONCEPTUAL DIFFERENCES

Apart from the above differences, there are a few conceptual differences between the Indian Accounting Standards and the IFRSs. For example, IAS 37 deals with constructive obligation in the context of creation of a provision. The effect of recognising provision on the basis of constructive obligation is that, in some cases, provision will be required to be recognised at an early stage. For instance, in case of a restructuring, a constructive obligation arises when an enterprise has a detailed formal plan for the restructuring and the enterprise has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. It is felt that merely on the basis of a detailed formal plan and announcement thereof, it would not be appropriate to recognise a provision since a liability cannot be considered to be crystallized at this stage. Further, the judgment whether the management has raised valid expectations in those affected may be a matter of considerable argument. In view of this, the corresponding Indian accounting standard, viz., AS 29, does not specifically deal with 'constructive obligation'. AS 29, however, requires a provision to be created in respect of obligations arising from normal business practice, custom and a desire to maintain good business relations or act in an equitable manner. In such cases, general criteria for recognition of provision are required to be applied.

NEED FOR CONVERGENCE WITH IFRSs

In the present era of globalization and liberalization, the World has become an economic village. The globalization of the business world and the attendant structures and the regulations, which support it, as well as the development of e-commerce make it imperative to have a single globally accepted financial reporting system. A number of multi-national companies are establishing their businesses in various countries with emerging economies and *vice versa*. The entities in emerging economies are increasingly accessing the global markets to fulfill their capital needs by getting their securities listed on the stock exchanges outside their country. Capital markets are, thus, becoming integrated consistent with this World-wide trend. The stock exchanges in different countries indicating the extent of foreign entities listed on these stock exchanges. More and more Indian companies are also being listed on overseas stock exchanges. Sound financial reporting structure is imperative for economic well-being and effective functioning of capital markets.

The use of different accounting frameworks in different countries, which require inconsistent treatment and presentation of the same underlying economic transactions, creates confusion for users of financial statements. This confusion leads to inefficiency in capital markets across the world. Therefore, increasing complexity of business transactions and globalization of capital markets call for a single set of high quality accounting standards. High standards of financial reporting underpin the trust investors place in financial and non-financial information.

Thus, the case for a single set of globally accepted accounting standards has prompted many countries to pursue convergence of national accounting standards with IFRSs. Amongst others, countries of the European Union, Australia, New Zealand and Russia have already adopted IFRSs for listed enterprises. China has decided to adopt IFRS from 2008 and Canada from 2011. Insofar as US is concerned, Financial Accounting Standards Board (FASB) of USA and IASB are also working towards convergence of the US GAAPs and the IFRSs. The Securities & Exchange Commission (SEC) has mooted a proposal to permit filing of IFRS-compliant financial statements without requiring presentation of a reconciliation statement between US GAAPs and IFRS in near future.

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BENEFITS OF ACHIEVING CONVERGENCE WITH IFRSs

There are many beneficiaries of convergence with IFRSs such as the economy, investors, and industry.

1)   THE ECONOMY

As the markets expand globally the need for convergence increases. The convergence benefits the economy by increasing growth of its international business. It facilitates maintenance of orderly and efficient capital markets and also helps to increase the capital formation and thereby economic growth. It encourages international investing and thereby leads to more foreign capital flows to the country.

2)   INVESTORS

A strong case for convergence can be made from the viewpoint of the investors who wish to invest outside their own country. Investors want the information that is more relevant, reliable, timely and comparable across the jurisdictions. Financial statements prepared using a common set of accounting standards help investors better understand investment opportunities as opposed to financial statements prepared using a different set of national accounting standards. For better understanding of financial statements, global investors have to incur more cost in terms of the time and efforts to convert the financial statements so that they can confidently compare opportunities. Investors' confidence would be strong if accounting standards used are globally accepted. Convergence with IFRSs contributes to investors' understanding and confidence in high quality financial statements.

3)   THE INDUSTRY

A major force in the movement towards convergence has been the interest of the industry. The industry is able to raise capital from foreign markets at lower cost if it can create confidence in the minds of foreign investors that their financial statements comply with globally accepted accounting standards. With the diversity in accounting standards from country to country, enterprises which operate in different countries face a multitude of accounting requirements prevailing in the countries. The burden of financial reporting is lessened with convergence of accounting standards because it simplifies the process of preparing the individual and group financial statements and thereby reduces the costs of preparing the financial statements using different sets of accounting standards.

CONCLUSION

India's commitment to the policy of 'convergence' of Indian Accounting Standards with IFRS would allow it to consider local economic conditions and environment while preparing converged accounting standards, thus duly and adequately safeguarding the interests of Indian companies/enterprises. The convergence with IFRS would provide reliable and comparable financial information to investors globally. Such converged accounting standards also aim at bringing more transparency in financial matters, thus seek to protect the interests of investors and improve standards of good corporate governance. They would also enhance the global competitiveness of Indian Industry.

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A CRITICAL STUDY OF CONSUMER PREFERENCES TOWARDS ORGANIZED RETAIL IN JAIPUR

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ABSTRACT

After years of unorganized retailing and fragmented 'kirana' stores, the Indian retail industry has finally begun to move towards modernization. New marketing formats like departmental stores, hypermarkets, supermarkets and specialty stores are spearheading the modernization drive. In Jaipur, Rajasthan, Retailing concept is fast catching up the minds of the consumers and organized retail sector is expected to rise in the next five years. But the consumer retailing needs differ from region to region and across different cities. The consumer decision processes depend on the consumer behavior. Consumers are often studied because certain decisions are significantly affected by their behavior or expected actions. The research focuses on three sectors of organized retail in Jaipur viz. Grocery, Fast-food Chains and Apparel and Foot wear sector and an attempt has been made to find out whether the retailers like Big Bazaar, Reliance, More etc. will be able to get accomplishment in Jaipur. The research focuses on examining the impact of Jaipur consumers' demographic variables in various types of organized food and grocery retail formats (convenient, supermarket and hypermarket) and exploring the drivers of customer satisfaction and Loyalty in Jaipur Retail Supermarkets. The study also identifies the consumer's recommendations so as attract more customers to a shopping area. The study was exploratory and descriptive using both secondary and primary data sources. Statistical analysis was done including hypothesis testing, Chi-Square test, Factor analysis and regression analysis. Through factor analysis two models were generated on Food & Grocery Retail Segment and Fast Food Chains in Jaipur.

KEYWORDS

Organized Retail, Consumer, Rajasthan, Satisfaction, Loyalty.

INTRODUCTION

The Organized Retailing in Rajasthan is on increase. The mall and multiplex culture has been started in Jaipur from last five-ten years, due to opening of prominent malls like Gaurav Tower (Malviya Nagar), Ganpati Plaza (MI Road), Triton Mega Mall (near Bani Park), Crystal Palm (Bais Godam Circle), Crystal Court (in Malviya Nagar), Crystal Mall, MGF Metropolitan Mall (Bais Godam Circle), City Pulse Mall (Narain Singh Circle), Apex Mall (Tonk Road), Gold Souk (Jawahar Circle, Malviya Nagar), Jaipur and World Trade Park (which is under construction). These malls are hoisting prominent national and international retail chains and branded stores like Shoppers Stop Ltd. (part of K. Raheja Corp.), Westside Retail (Tata Retail Enterprise), Big-Bazaar (Pantaloon Retail), Vishal Megamart Retail Ltd, Wills Lifestyle, Provogue India Ltd., Adidas, Allen Cooper, Wrangler, Monte Carlo, Cantabil, McDonald's, Costa Coffee, iStore, Archies, Blackberrys, Pizza Hut, Allen Solly, Levi's, Tommy, United Colors of Benetton, Van Heusen, Wills Lifestyle, Puma, Reebok, Peter England, Raymonds, Provogue, Planet-M, Ganesham Electronics, Gold's Gym, Woodland, Bata, Lilliput, Cafe Coffee Day and many more brands.

Hence there was a strong need for a study on fast growing retail market in Jaipur, where the impact of service quality and features on customer satisfaction and loyalty could be studied. The customer preferences generally differ from region to region and between different cities, hence a local study was needed so that the upcoming malls / shops could devise their marketing strategy for succeeding the Jaipur.

RETAIL IN JAIPUR: EXISTING

Jaipur, a modern city, is the best example of a multi-ethnic and multi-cultural society with an ever-expanding economy. Being the state capital city, it has an affluent population comprising a mix from across the state. Jaipur is among the highest in the state in terms of size and socio-economic profile and it's steadily increasing quality of life, a booming economy and consumer market makes it one of the hottest destinations for Retail segment.

With mall culture on boom and improvement in infrastructural facilities Jaipur is surely going to be one of the hot investment destinations in the Rajasthan-Delhi-Haryana-Uttar Pradesh belt.

Some of the retail malls of Jaipur which have come as hubs of retail destination include **Crystal Mall,** Bani Park, **City Plaza,** Vaishali Nagar, **Gaurav Tower,** Malviya Nagar, **City Pulse Mall**, Narain Singh Circle, **The Metro Mall,** C-Scheme, **MGF Mall,** Bais Godown Circle, **The Metropolitan Mall,** Bhawani Singh Road, **Crystal Palm,** Bais Godam Circle, **Gold Souk,** Jawahar Circle, Malviya Nagar, **World Trade Park,** JLN Marg.

Photo-1: Crystal Palm, Bais Godam Circle, Jaipur.

Photo-2: MGF Metropolitan Mall, Jaipur

RESEARCH METHODOLOGY

OBJECTIVES OF THE RESEARCH

PRIMARY OBJECTIVES

The main objectives of the present study were:

1. To examine the impact of consumers' demographic variables in various types of organised food and grocery retail formats.
2. To explore the drivers of customer satisfaction and Loyalty in Retail Supermarkets, particularly with reference to Jaipur.

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SECONDARY OBJECTIVES

The secondary objectives were:

1. To understand the Dynamics of Indian Organized Retail.
2. To explore consumers preferences towards retail businesses and recommendations on actions or activities of retailers that would help attract more customers to a shopping area.

HYPOTHESIS OF THE STUDY

H1a: *Consumer's age has significant influence on purchasing from different types of food and grocery retail outlets.*

H1b: *Consumer's gender has significant influence on purchasing from different types of food and grocery retail outlets.*

H1c: *Consumer's family size has significant influence on purchasing from different types of food and grocery retail outlets.*

H1d: *Consumer's occupation levels have significant influence on purchasing from different types of food and grocery retail outlets.*

H1e: *Consumer's income levels have significant influence on purchasing from different types of food and grocery retail outlets.*

H1f: *Consumer's education levels have significant influence on purchasing from different types of food and grocery retail outlets.*

H2: *Consumer's loyalty variables have significant impact on purchasing from different types of FOOD AND GROCERY retail outlets.*

H3: *Consumer's loyalty variables have significant impact on purchasing from different types of FAST-FOOD retail outlets.*

RESEARCH DESIGN

The study was **Exploratory in nature,** followed by **Descriptive** Study.

DATA COLLECTION

PRIMARY DATA

Primary data were collected through **Questionnaire** and through **personal interview** with the respondents. The questions multiple choice, rating and ranking scale questions, and open ended questions. Open-ended questions were used to probe more deeply into issues of interest which was impossible if the answer had been pre-categorized. These questions provided valuable insights on the problem not previously thought, suggestions were provided by the respondents in their own words which were included in the thesis.

SECONDARY DATA

The secondary data of the research were collected from Economics and Statistics Reports of Govt. of Rajasthan, EBSCO Online Research Database, CMIE Data, Data from Journals, Newspapers (The Times of India, The Indian Express, The Economic Times, Financial Express, Business Standard, Business Line), KPMG Report, FICCI Report on Indian Retail, Books, Magazines (Business World, The Indian Dream, Business & Economy), World Wide Web etc.

SAMPLING & SAMPLE SIZE

The respondents were selected randomly but with the help of convenient sampling. The participation was voluntary. When surveying people the approach was interview those who are knowledgeable and who might be able to provide insight concerning the relationship among variables.

SAMPLE SIZE USED IN THE STUDY

The sample size for the study was calculated sample size using the following sample size determination formula:

$$n = \frac{N \times p \times q}{(N-1) \times D + p \times q}$$

Where,

$$D = \left(\frac{E}{t}\right)^2$$

………………………………………………(i)

Where,

N = total number of households in Jaipur.

p = It was used as 0.50 to reach the maximum size of variation.

q = 1-p, which is 0.50

E = error tolerance (we've used 5%)

t = confidence level (we've used 95%)

Population parameters for Jaipur (Rajasthan):

Urban Population of Jaipur City : 23.22 lacs (2001 Census)

The consuming class - (Aspirers, Seekers & Strivers) : 46 %

Target Population : 10.68 lacs

Average size of Household in Rajasthan: 6.13 (*Census, 2001*)

No. of Households: 1.74 lac (174225 households approx.)

Hence 1.74 households (with an average family size of 6.13) in the city of Jaipur was used as the sampling frame for this study.

Using this formula with the given parameters:

$$n = \frac{174225 \times 0.5 \times 0.5}{(174225-1) \times \left(\frac{0.05}{1.96}\right)^2 + .5 \times .5} = 383.3$$

Using this formula with the given parameters, 384 participants were needed for the study. The questionnaires were distributed in prominent malls (Gaurav Tower, Crystal Court, MGF Metropolitan and Crystal Palm) of Jaipur. The questionnaires were distributed randomly to the consumers using mall intercept method (customers were in the supermarkets). Accordingly, from 385 questionnaires in four malls, 25 incomplete questionnaires were eliminated from the study, which yielded a total of 360 usable questionnaires. Hence a total of 360 customers were surveyed and they responded and returned the survey instrument. This is an 93.5 % response rate. The **Sample Size was taken as 360**, which can be considered as sufficient sample size for the study.

DESCRIPTIVE STATISTICS

Hypotheses Testing For Demographic Variables

H1a: *Consumer's age has significant influence on purchasing from different types of food and grocery retail outlets.*

The table of respondents' age and the type of retail format from which they do purchases as drawn by the analysis of the questionnaire data is shown below:

TABLE 1 INFLUENCE OF RESPONDENT'S AGE ON FOOD AND GROCERY RETAIL OUTLETS (*OBSERVED FREQUENCIES*)

Type of Retail Format	15 – 25 Years	26 – 35 Years	36 – 45 Years	45 Years and above
Convenience Stores	16	27	38	21
Supermarket	25	61	32	22
Hypermarket	31	56	20	11

Source: generated from questionnaire data, Q.No.1.3 (Appexdix I)

The computation of Chi-square was done using Excel. The details of the computations are shown below:

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TABLE 1.1 CHI-SQUARE VALUES

Type of Retail Format	15 – 25 Years	26 – 35 Years	36 – 45 Years	45 Years and above	TOTAL
Convenience Stores	0.95	4.67	6.13	2.12	**13.87**
Supermarket	0.32	0.45	0.26	0.05	**1.07**
Hypermarket	2.32	1.64	3.06	2.54	**9.56**
TOTAL	**3.59**	**6.75**	**9.44**	**4.71**	**24.50**

Source: SPSS Excel data run

The critical value of Chi-square at 5 percent level of significance for 6 degrees of freedom = 12.59 which must be exceeded to reject H0 that there is no association between age level and type of retail store. As the calculated Chi-square value (24.50) is more than the table value (12.59) at 5 percent level of significance for 6 degrees of freedom, the alternative hypothesis (**H1a**) is accepted and it could be concluded that consumer's age has significant influence on type of food and grocery retail outlets from which they purchase the products. The age groups and retail formats are dependent with each other.

H1b: *Consumer's gender has significant influence on purchasing from different types of food and grocery retail outlets.*
The table of Influence of respondents' gender on Food and Grocery Retail Outlets is shown below:

TABLE 2: INFLUENCE OF RESPONDENTS GENDER ON FOOD AND GROCERY RETAIL OUTLETS

Type of Retail Format	Male	Female
Convenience Stores	59	52
Supermarket	47	74
Hypermarket	56	72

Source: Generated from questionnaire data, Q.No.1.2 (Appexdix I)

The calculated Chi-square value (4.92) was less than the table value (5.99) at 5 percent level of significance for 2 degrees of freedom, the alternative hypothesis (**H1b**) could not be accepted, meaning that gender and retail format are independent (no association) of each other. It could be concluded that male and female respondent's patronage of food and grocery retail outlets is almost same irrespective of type of retail outlet.

H1c: *Consumer's family size has significant influence on purchasing from different types of food and grocery retail outlets.*
The table of Influence of respondents' family size on Food and Grocery Retail Outlets is shown below:

TABLE 3: INFLUENCE OF RESPONDENT'S FAMILY SIZE ON FOOD AND GROCERY RETAIL OUTLETS

Type of Retail Format	1-2 members	3-4 members	5-6 members	More than 6 members
Convenience Stores	13	47	34	16
Supermarket	21	57	52	27
Hypermarket	38	30	14	11

Source: Generated from questionnaire data, Q.No.1.8 (Appexdix I)

The Chi-square computations were done in similar manner in excel. The calculated Ch-square value (34.47) came out to be more than the table value (12.59) at 5 percent level of significance for 6 degrees of freedom. Hence, alternative hypothesis (**H1c**) is accepted i.e., demographic variable with respect to respondent's family size has significant impact on type of food and grocery retail outlets.

H1d: *Consumer's occupation levels have significant influence on purchasing from different types of food and grocery retail outlets.*
To test this hypothesis, the data of the respondents is shown below:

TABLE 4: INFLUENCE OF RESPONDENT'S OCCUPATION ON FOOD AND GROCERY RETAIL OUTLETS

Type of retail format	Student	Housewife	Service	Business	Total
Convenience Stores	9	29	31	18	**86**
Supermarket	27	47	56	22	**151**
Hypermarket	18	14	58	32	**122**
Total	**54**	**90**	**144**	**72**	**360**

Source: Generated from questionnaire data, Q.No.1.4 (Appexdix I)

The calculated Chi-square value (22.56) was found to be more than the table value (16.812) at 1 percent significance level for 6 degrees of freedom, hence, alternative hypothesis (**H1d**) is accepted i.e. demographic variable with respect to consumer's occupation levels have significant impact on type of food and grocery retail outlets. Hence, occupation and type of retail formats for purchase of food and grocery products are dependent with each other.

H1e: *Consumer's income levels have significant influence on purchasing from different types of food and grocery retail outlets.*
To test this hypothesis, the data of the respondents is shown below:

TABLE 5: INFLUENCE OF RESPONDENTS MONTHLY INCOME LEVELS ON FOOD AND GROCERY RETAIL OUTLETS

Type of retail format	Below Rs. 10000	Rs 10001 – Rs. 20000	Rs. 20001 – Rs. 30000	Rs. 30000 and above	Total
Convenience Stores	29	25	18	11	**83**
Supermarket	25	90	50	13	**178**
Hypermarket	18	20	40	22	**99**
Total	**72**	**135**	**108**	**45**	**360**

Source: Questionnaire data, Q.No.1.7 (Appexdix I)

The calculated chi square value (45.95) was found to be more than the table value (16.812) at 1 percent level of significance for 6 degrees of freedom. Hence, alternative hypothesis (**H1e**) is accepted i.e. consumer's growing income levels and availability of disposable money in hand have significant influence on type of food and grocery retail outlet from which they do shopping. Therefore, income levels and types of food and grocery retail outlets are dependent with each other.

H1f: *Consumer's education levels have significant influence on purchasing from different types of food and grocery retail outlets.*
To test this hypothesis, the data used from Table 6

TABLE 6: INFLUENCE OF RESPONDENTS EDUCATION LEVELS ON FOOD AND GROCERY RETAIL OUTLETS

Type of retail format	SSC / Diploma	Degree	PG	Total
Convenience Stores	25	23	22	**70**
Supermarket	32	81	50	**164**
Hypermarket	14	76	36	**126**
Total	**72**	**180**	**108**	**360**

Source: Questionnaire data (Appexdix I)

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The calculated Chi-square value (20.07) came out to be more than the table value (13.28) at 1 percent level of significance for 4 degrees of freedom. Hence, alternative hypothesis (**H1f**) is accepted i.e. consumer's increasing knowledge, awareness and educational levels have significant influence on types of food and grocery retail outlets. Therefore, dependency among them is obvious.

GENERAL ATTITUDE TOWARDS RETAIL SHOPPING

Of the total consumers surveyed (360), 55 % were married and 45 % were single. When the respondents were asked about what do like most about a *Kirana* Store, the majority of the respondents the following reasons: Proximity/ Easy Accessible, Cheaper products/Reasonably priced, Friendly behavior of Shopkeeper, Bargaining could be done, Credit Facility and Home delivery reasons accounted (for around 80 % of the respondent's causes). When the respondents were asked to give the reasons for going to retail malls in Jaipur, they following important reasons: Variety, Products available at one place, Display, Quality, Offers & Discounts. When the respondents were asked about the frequency of visit to retail malls, the majority of the respondents told about weekends or twice a week. The average amount spend by the respondents per trip came out to Less than Rs. 1000 (58%), between Rs. 1000 - Rs. 2500 (30 %) and greater than Rs. 2500 (12 %). For understanding the parking requirements of the respondents, when asked on the mode used for commuting the 82 % of the respondents used their own vehicle (four-wheeler or two wheeler), 18 % of the respondents used public transport for commuting. Hence it could be said that adequate parking should be provided in Retail Malls in Jaipur.   When asked on the average time spent in retail shopping, around 70 % of the respondents gave answer that they do shopping within 1-2 two hours as shown in the figure 1 (below).

FIG. 1: AVERAGE TIME SPENT IN RETAIL SHOPPING BY RESPONDENTS
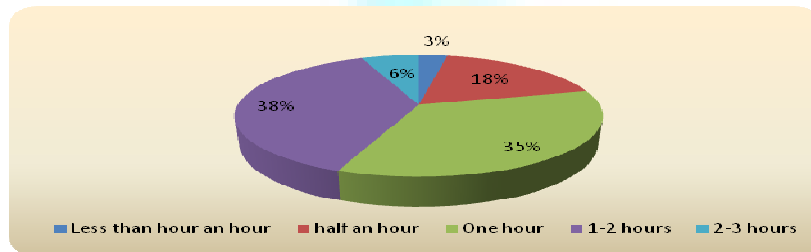
Source: Questionnaire

When the respondents were asked from where they get information about the retail outlets, Newspaper and through word of mouth (family and friends) came out to be the important sources as shown in Fig. 2 below:

FIG. 2: SOURCES OF INFORMATION ON RETAIL
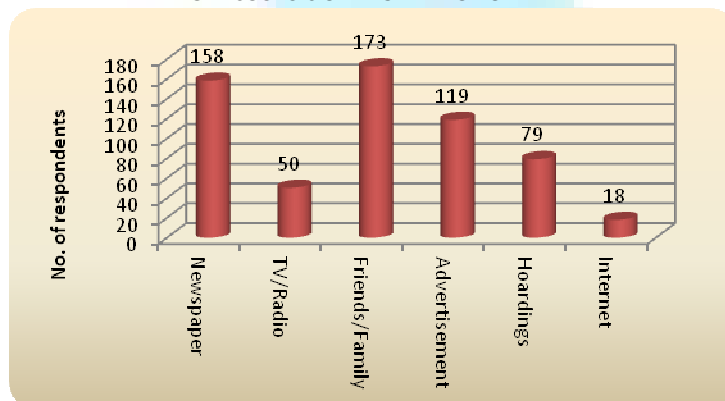
Source: Questionnaire

When the respondents were asked to recall few stores in apparel and footwear segment which they liked most in Jaipur, their replies are displayed in the Figure 3

FIG. 3: MOST PREFERRED APPAREL & FOOTWEAR STORES
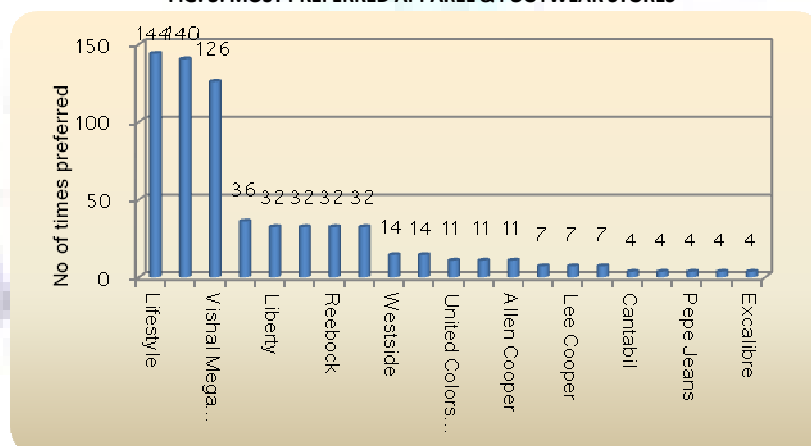
Source: Questionnaire, Q.No. 4.1

When a comparative analysis of few prominent Apparel and footwear segment sores were taken, where the respondents were asked to rate (on a scale of 0 – 10, where 10 meant most satisfied), the result of the data analysis is shown in Fig. 4

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FIG. 4: RATINGS OF APPAREL AND FOOTWEAR RETAIL STORES
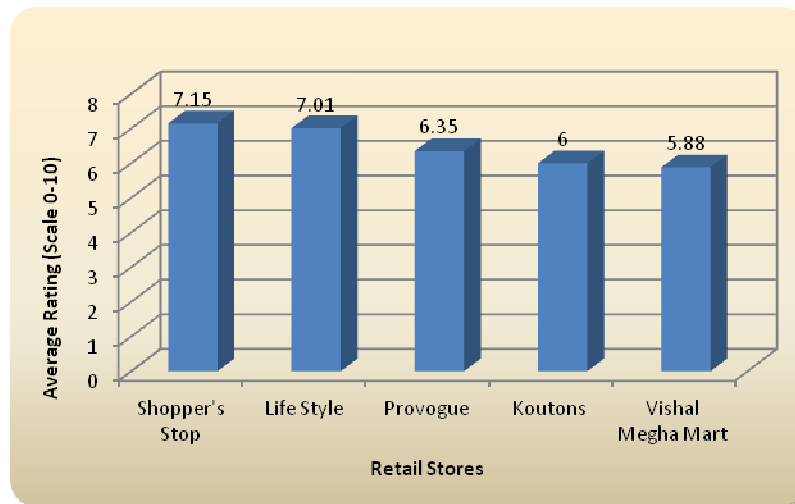
Source: Questionnaire, Q.No. 4.2

RETAIL SEGMENT: GROCERY

When the respondents were asked to recall the names of the organized retail in grocery segment, where they had done shopping, in the order of their satisfaction level, the two prominent stores were Big bazaar and Reliance Fresh as shown in figure 5.5(below).

FIG. 5: MOST PREFERRED RETAILS IN GROCERY SECTOR
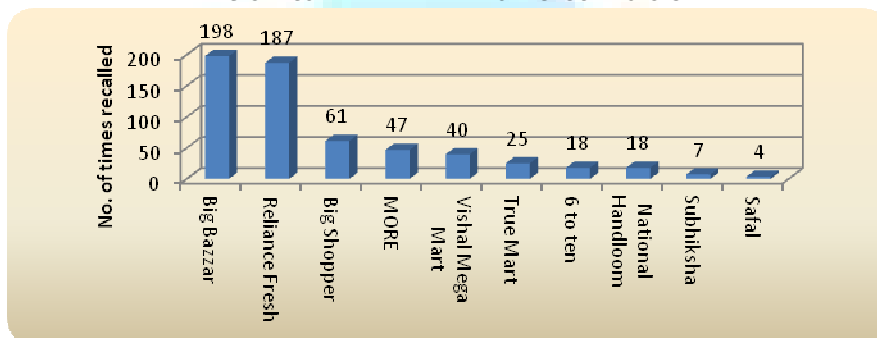
Source: Questionnaire, Q.No. 2.8

CUSTOMER SATISFACTION AND LOYALTY

Customers are either satisfied or dissatisfied from the experience of their product or service usage, and this experience becomes the measure of satisfaction in their minds.

For the purpose of this study, the variables considered for measuring customer satisfaction and loyalty are divided into three parts: overall satisfaction from usage of the service; repeat buying intention; and recommendation of service to others. The last two variables (repeat buying intention and recommendation) are considered as measures of customer loyalty. The details of customer satisfaction and loyalty variables used in this study are presented in Table 7.

TABLE 7: CUSTOMER SATISFACTION AND LOYALTY VARIABLES

Variable	Meaning	Source
1. Overall Satisfaction with the retail outlet.	You are satisfied overall with the retail outlet.	Miranda and Konya (2008), Sivadas and Baker-Prewitt (2000).
2. Repeat buying intention.	You will continue shopping in the retail outlet.	Leverin and Liljander (2006), Sivadas and Baker-Prewitt (2000).
3. Recommendation of Service to Others	You will recommend the retail outlet to others.	Leverin and Liljander (2006), Sivadas and Baker-Prewitt (2000).

Source: Miranda and Konya (2008),Leverin and Liljander (2006), Sivadas and Baker-Prewitt (2000).

SERVICE QUALITY AND FEATURES

Previous researches have looked at various service-related variables in different service industries, and the variables of service quality and features which have been considered for this study are described in detail below:

1.   The store **location** is convenient (Spiller et al., 2006; and Nguyen et al.,2007);
2.   The store **operating time** is convenient (Parasuraman et al., 1988; and Wong and Sohal, 2003);
3.   Sufficient space for **parking** is available (Wong and Sohal, 2003; and Abubakar et al., 2001);
4.   **Cleanliness** of the store is given high priority (Abubakar et al., 2001)
5.   **Products are stacked** in proper manner (Nguyen et al., 2007; and Sivadas and Baker-Prewitt, 2000);
6.   **Soft ambience** (Air conditioning, music) is good (Spiller et al., 2006; and Abubakar et al., 2001);
7.   **Shop floor is very spacious** (Nguyen et al., 2007; and Wong and Sohal, 2003)
8.   **Products expected are available** at all times (Nguyen et al., 2007; and Abubakar et al., 2001);
9.   **Product range (variety)** available is sufficient (Nguyen et al., 2007; and Abubakar et al., 2001);
10.   **Products are of good quality** (Spiller et al., 2006; and Abubakar et al., 2001);
11.   **Promotion offers** provided are **worthy** (Ganguli, Kumar, 2008);
12.   **Price of products** is reasonable (Spiller et al., 2006; and Abubakar et al., 2001);
13.   **Staff are helpful** (Parasuraman et al., 1988; Nguyen et al., 2007; and Sivadas and Baker-Prewitt, 2000);
14.   **Mode of payment is flexible** (Wong and Sohal, 2003); and

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15.   Customers are **well aware of the discount offers** (Ganguli, Kumar, 2008).

METHODOLOGY

In order to arrive at the 15 variables mentioned above, initial interviews of retail supermarket customers (Big bazaar) were conducted and then these variables were finalized. With all these 15 variables as well as the three variables considered for customer satisfaction and loyalty, a questionnaire was prepared. Responses of the customers were obtained with relation to their shopping experience at *Big bazaar* as a representative of prominent supermarket of Jaipur. A pilot survey was administered to revise survey questions, before preparing the final questionnaire. All the variables were marked in a scale of 1 to 5, with 1 representing strongly disagree and 5 strongly agree.

To analyze the data collected, SPSS software and Microsoft Excel was used. The data on 15 variables were reduced through factor analysis, and then factor scores were used as independent variables and the customer satisfaction and loyalty variables as dependent variables in regression analysis in order to find out the drivers of customer satisfaction and loyalty.

RESULTS AND INTERPRETATION

FACTOR ANALYSIS

The results of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) (0.753) and Bartlett's Test of Sphericity (Chi-square – 2503.605 and significance – 0.000) indicate that factor analysis done with the 15 variables is effective. There were four factors extracted using the method of Principal Component Analysis and Rotation Method of Varimax with Kaiser Normalization, with criteria of Eigen values greater than one. The results of factor analysis are shown in Table 8.

TABLE 8: EIGEN VALUES AFTER ROTATION

Factors	Eigen Values	Percent of variance explained	Cumulative %
1	2.776	18.510	18.510
2	2.603	17.352	35.861
3	2.375	15.834	51.696
4	2.048	13.656	65.351

Source: SPSS data run (Appendix I).

It can be concluded that these four factors extracted from the 15 variables are explaining about 65 percent of the variance in the 15 service-related variables considered in this study. The factors were labeled according to the variables under them (based on loadings). Table 5.10 shows the highest loadings (after rotation) of variables into factors.

TABLE 9: LOADING OF VARIABLES INTO FACTORS

Variables	Factor 1	Factor 2	Factor 3	Factor 4
Location			.750	
Operating time			.819	
Parking facility	.504			
Cleanliness of store		.823		
Stacking of products	.715			
Soft ambience				.834
Spacious Shop floor		.771		
Availability of products			.785	
Variety of products		.686		
Easy to locate products				
Quality of products	.697			
Promotion offers				.542
Price of products	.817			
Staff helpful		.603		
Staff presentable				
Flexibility in payment mode	.613			
Offer awareness				.760

Source: SPSS data run (Appendix I)

According to the loadings of variables on the six factors, they have been labeled as in Table 10.

TABLE 10: LABELING OF FACTORS

Pricing	Store Ambience	Shopping Convenience	Promotional Offers
Quality of products	Cleanliness of store	Location	Promotion offers
Price of products	Spacious Shop floor	Operating time	Offer awareness
Flexibility in payment mode	Variety of products	Availability of products.	Soft ambience
Stacking of products	Staff helpful		
Parking facility			

Source: developed by the researcher.

According to the conception of customers at the retail stores, the variables are not separated according to service quality or features, but there is a mix of them loading into one or more factors, showing new underlying constructs or factors for service quality and feature related variables.

To test the reliability of the model alpha was calculated as shown in Table 11

TABLE 11 RELIABILITY ANALYSIS SCALE (ALPHA)

Reliability Coefficients	
No. of Cases = 357.0	Reliability Coefficients Items = 15
Alpha = **.8640**	

Source: SPSS data run (Appendix I).

Also ANOVA test for validity of the model was conducted (F = 31.20 and significance prob. 0.000), indicating that the model is valid.

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HYPOTHESIS TESTING OF CUSTOMER LOYALTY

H2: *Consumer's loyalty variables* (like location, Operating time, Parking facility, Cleanliness of store, Stacking of products, Soft ambience, Spacious Shop floor, Availability of products, Variety of products, Quality of products, Promotion offers, Price of products, Staff helpful, Flexibility in payment mode, Offer awareness, Overall satisfaction, Continue buying, Recommendation to others) **have significant impact on purchasing from different types of FOOD AND GROCERY retail outlets.**

The factor analysis of loyalty variables emerged in 4 factors with eigenvalue greater than 1. They are with 65.35 percent of variance, which is acceptable and above the lower limit for social sciences and determined the statistical significance of each eigenvalue at 1 percent level of significance. The 4 factors emerged in factor loading are **Pricing, Store Ambience, Shopping Convenience and Promotional Offers**.

Regression Analysis - for Grocery Sector

Two separate regressions were carried out with factor scores of the four factors as independent variables. The two dependent variables were: overall satisfaction and loyalty (Linear combination of the variables 'Continue Buying' and 'Recommendation to others'). Another regression was carried out to find out whether loyalty is influenced by overall satisfaction.

Regression 1 (Overall Customer Satisfaction)

The model can be written as:

$$y_i = \beta_0 + \beta_1 \times x_1 + \beta_2 \times x_2 + \beta_3 \times x_3 + \beta_4 \times x_1 \quad \text{.................................(ii)}$$

where,

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ are population regression coefficients

The results and analysis of the regression analysis are as follows:

y1 = Overall customer satisfaction; x1 = Pricing ; x2 = Store ambience; x3 = Shopping convenience; x4 = Promotional offers;

$$y_1 = b_0 + b_1 \times x_1 + b_2 \times x_2 + b_3 \times x_3 + b_4 \times x_1 \quad \text{.................................(iii)}$$

where,

b_0, b_1, b_2, b_3, b_4 are sample regression coefficients.

They are used to estimate population regression coefficients

$(\beta_0, \beta_1, \beta_2, \beta_3, \beta_4)$.

The data was analyzed using SPSS software.

R^2 for the regression was 0.724, and ANOVA (F = 234.143) (*Appendix III*) was also significant (0.000), indicating regression results are valid.

TABLE 12: REGRESSION RESULTS FOR OVERALL CUSTOMER SATISFACTION

x's	Standardized Betas	t-value	Significance
Pricing	.847	30.388	.000
Store ambience	-.008	-.297	.767
Shopping convenience	-.083	-2.968	.003
Promotional offers	.058	2.064	.040

Source: SPSS data run (Appendix III).

From the results of Table 12, it is clear that **'Pricing' and 'Promotional offers' have a significant impact on overall customer satisfaction.** 'Store ambience' and 'Shopping convenience' is not significant at 5 percent level of significance.

Regression 2 (Customer Loyalty)

The results and analysis of the regression analysis are as follows:

Y2 = Customer Loyalty; x1 = Pricing ; x2 = Store ambience;

x3 = Shopping convenience; x4 = Promotional offers;

The model can be written as:

$$y_2 = b_0 + b_1 \times x_1 + b_2 \times x_2 + b_3 \times x_3 + b_4 \times x_1 \quad \textbf{.........................(iv)}$$

where,

b_0, b_1, b_2, b_3, b_4 are regression coefficients.

To determine the coefficients, data was analyzed through SPSS. The details of the mentioned in *Appendix IV*.

R^2 for the regression was 0.725, and ANOVA (F = 236.042) was also significant (0.000), indicating regression results are valid. The results of the regression model are mentioned in Table 13

TABLE 13: REGRESSION RESULTS FOR CUSTOMER LOYALTY

x's	Standardized Betas	t-value	Significance
Pricing	.415	14.935	.000
Store ambience	.364	13.107	.000
Shopping convenience	.600	21.613	.000
Promotional offers	.252	9.067	.000

Source: SPSS data run (Appendix III).

From the results of Table 5.13, it is clear that all four factors are highly significant and impact customer loyalty, with pricing and shopping convenience showing higher impact, followed by store ambience and promotional offers showing lesser impact.

Regression 3 (Satisfaction—Loyalty Relationship)

The model can be written as:

$$y_3 = b_0 + b_1 \times x_1 \quad \textbf{..(v)}$$

Where;

y3 = Customer Loyalty;

x1 = Overall Customer Satisfaction;

b_0, b_1 are regression coefficients.

To determine the coefficients, data was analyzed through SPSS, and the results are mentioned in Appendix V.

R^2 for the regression is 0.087, and ANOVA (F = 35.034) is also significant (0.000), indicating regression results are valid.

The results of the regression model are mentioned in Table 14

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TABLE 14: REGRESSION RESULTS FOR SATISFACTION—LOYALTY RELATIONSHIP

x's	Standardized Betas	t-value	Significance
Overall customer satisfaction	.299	5.919	.000

Source: SPSS data run (Appendix V).

From the results of Table 5.14, it is clear the overall customer satisfaction is highly significant and impact customer loyalty.

RETAIL SEGMENT: FAST FOOD CHAINS

When the respondents were asked to recall the names of the organized retail in grocery segment, where they had done shopping, in the order of their satisfaction level, the two prominent fast food chains identified were Mc Donald's and Pizza Hut as shown in figure 6 (below).

FIG 6: MOST PREFERRED FAST-FOOD CHAINS
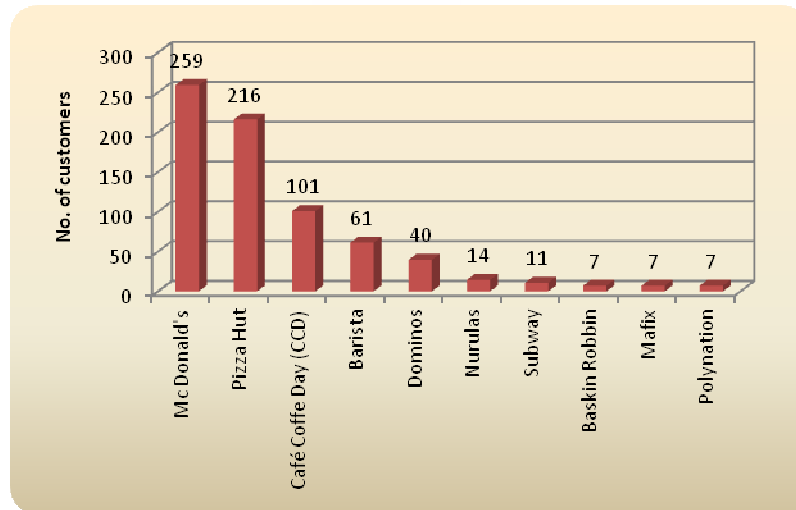
Source: Questionnaire

The respondents were also asked to rate the services of prominent fast-food chains (in a scale of 10, where 0 meant completely dissatisfied and 10 meant completely satisfied). The result of the analysis is shown in figure 7.

FIG. 7: RATINGS GIVEN TO PROMINENT FAST FOOD CHAINS
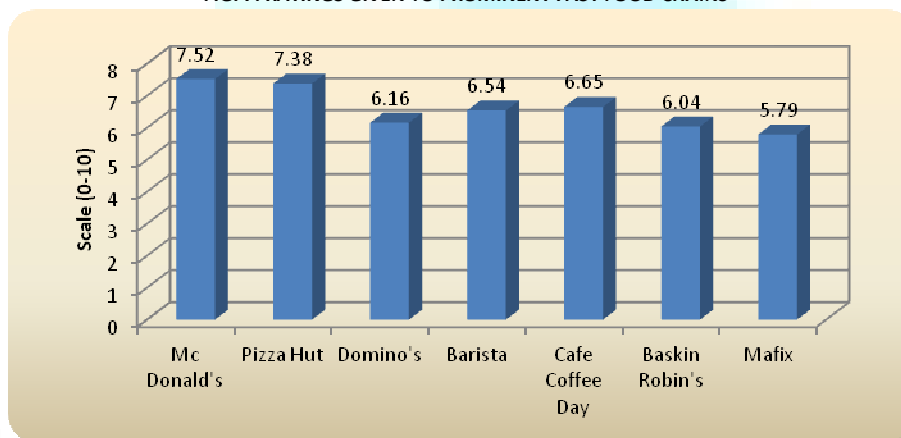
Source: Questionnaire, Q.No. 3.3

The highest average rating was given to Mc Donald's, followed by Pizza Hut and Café Cofee Day (CCD).

Customer Satisfaction and Loyalty – Fast Food Chains

The same methodology was used as in Grocery Sector.

Service Quality and Features – Fast Food Chains

Previous researches have looked at various service-related variables in different service industries, and the variables of service quality and features which have been considered for this study are described in detail below:

1. The store **location** is convenient (Spiller et al., 2006; and Nguyen et al.,2007);
2. The store **operating time** is convenient (Parasuraman et al., 1988; and Wong and Sohal, 2003);
3. Sufficient space for **parking** is available (Wong and Sohal, 2003; and Abubakar et al., 2001);
4. **Cleanliness** of the store is given high priority (Abubakar et al., 2001)
5. **Food presentation** is very good (Bajaj, Tuli & Srivastava, 2005)
6. **Soft ambience** (Air conditioning, music) is good (Spiller et al., 2006; and Abubakar et al., 2001);
7. **Shop floor is very spacious** (Nguyen et al., 2007; and Wong and Sohal, 2003)
8. **Product (Food) range (variety)** available is sufficient (Nguyen et al., 2007; and Abubakar et al., 2001);
9. **Home delivery** of food items (Bajaj, Tuli & Srivastava, 2005)
10. **Products are of good quality** (Spiller et al., 2006; and Abubakar et al., 2001);
11. **Promotion offers** provided are **worthy** (Ganguli, Kumar, 2008);
12. **Price of products** is reasonable (Spiller et al., 2006; and Abubakar et al., 2001);
13. **Staff are helpful** (Parasuraman et al., 1988; Nguyen et al., 2007; and Sivadas and Baker-Prewitt, 2000);
14. **Mode of payment is flexible** (Wong and Sohal, 2003); and

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15. **Faster delivery** of food (Bajaj, Tuli & Srivastava, 2005) or the waiting time is less.

METHODOLOGY – FAST FOOD CHAINS

Responses of the customers were obtained with relation to their experience at **Mc Donald's**, at *Gaurav Tower*, Jaipur. All the variables were marked in a scale of 1 to 5, with 1 representing strongly disagree and 5 strongly agree. Total 360 responses (sample size) were analyzed through SPSS and Excel software The data on 15 variables were reduced through factor analysis, and then factor scores were used as independent variables and the customer satisfaction and loyalty variables as dependent variables in regression analysis in order to find out the drivers of customer satisfaction and loyalty for fast-food chains in Jaipur.

RESULTS AND INTERPRETATION – FAST FOOD CHAINS

FACTOR ANALYSIS

The results of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) (0.852) and Bartlett's Test of Sphericity (Chi-square – 2856.712 and significance – 0.000) indicate that factor analysis done with the 15 variables is effective. There were **three** factors extracted using the method of Principal Component Analysis and Rotation Method of Varimax with Kaiser Normalization, with criteria of Eigen values greater than one. The results of factor analysis are shown in Table 16.

TABLE 16: EIGEN VALUES AFTER ROTATION

Factors	Eigen Values	Percent of variance explained	Cumulative %
1	3.367	22.446	22.446
2	3.151	21.007	43.453
3	2.833	18.889	62.342

Source: SPSS data run (Appendix VI).

It can be concluded that these four factors extracted from the 15 variables are explaining about 62 percent of the variance in the 15 service-related variables considered in this study. The factors were labeled according to the variables under them (based on loadings).

According to the loadings of variables on the three factors, they have been labeled as in Table 17.

TABLE 17: LABELING OF FACTORS

Convenience	Pricing	Ambience
Variety of food	Quality	Soft Ambience
Operating time is convenient	Price of food	Spacious layout
Food Presentation	Cleanliness	Promotion offers
Faster delivery	Parking facility	Customer service
Location		Mode of payment
Home delivery		

Source: Developed by the researcher.

According to the conception of customers at the fast-food chains, the variables are not separated according to service quality or features, but there is a mix of them loading into one or more factors, showing new underlying constructs or factors for service quality and feature related variables.

To test the reliability of the model alpha was calculated as shown in Table 18

TABLE 18: RELIABILITY ANALYSIS SCALE (ALPHA)

Reliability Coefficients	
No. of Cases = 360	Reliability Coefficients Items = 18
Alpha = **.9101**	

Source: SPSS data run (Appendix VI).

Also ANOVA test for validity of the model was conducted (F= 48.1601) and significance prob. 0.000), indicating that the model is valid.

HYPOTHESIS TESTING OF CUSTOMER LOYALTY

H3: *Consumer's loyalty variables* (Location, Operating time, Parking, Cleanliness, Food Presentation, Soft ambience, Spacious layout, Variety of food, Home delivery, Quality of food, Promotion Offers, Price, Customer Service, Mode of payment and Faster delivery) *have significant impact on purchasing from different types of FAST-FOOD retail outlets.*

The factor analysis of loyalty variables emerged in 3 factors with eigenvalue greater than 1. They are with 62.34 percent of variance, which is acceptable and above the lower limit for social sciences and determined the statistical significance of each eigenvalue at 1 percent level of significance. The 3 factors emerged in factor loading are **Convenience, Pricing and Ambience**.

Regression Analysis – For Fast food chains.

Two separate regressions were carried out with factor scores of the three factors as independent variables. The two dependent variables were: overall satisfaction and loyalty (Linear combination of the variables 'Continue Buying' and 'Recommendation to others'). Another regression was carried out to find out whether loyalty is influenced by overall satisfaction.

Regression 1 (Overall Customer Satisfaction) – For Fast food chains.

The model can be written as:

$$y_i = \beta_0 + \beta_1 \times x_1 + \beta_2 \times x_2 + \beta_3 \times x_3 + \beta_4 \times x_1 \text{...(vi)}$$

where,

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ are population regression coefficients

The regression model formed could be depicted by the following equation:

$$y_1 = \omega_0 + \omega_1 \times x_1 + \omega_2 \times x_2 + \omega_3 \times x_3 \text{...(vii)}$$

where,

y_1 = Overall customer satisfaction;

x_1 = Convenience;

x_2 = Pricing;

x_3 = Ambience;

$\omega_1, \omega_2, \omega_3$ are sample regression coefficients,

they are used to estimate population regression coefficients $(\beta_0, \beta_1, \beta_2, \beta_3, \beta_4)$.

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The data was analyzed using SPSS software. R^2 for the regression was 0.752, and ANOVA (F = 364.005) (*Appendix VII*) was also significant (0.000), indicating regression results are valid.

TABLE 19: REGRESSION RESULTS FOR OVERALL CUSTOMER SATISFACTION

x's	Standardized Betas	t-value	Significance
Convenience	.179	6.816	.000
Pricing	.841	32.013	.000
Ambience	.120	4.551	.000

Source: SPSS data run (Appendix VII).

From the results of Table 5.21, it is clear that all three factors are important and have a significant impact on overall customer satisfaction, with 'pricing' showing very higher impact, followed by 'Convenience' & 'Ambience' with lesser impact.

Regression 2 (Customer Loyalty) – For Fast food chains.

The model can be written as:

$$y_2 = \omega_0 + \omega_1 \times x_1 + \omega_2 \times x_2 + \omega_3 \times x_3 \quad y_1 = \omega_0 + \omega_1 \times x_1 + \omega_2 \times x_2 + \omega_3 \times x_3 \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots(viii)$$

where,

y_2 = Customer Loyalty;

x_1 = Convenience;

x_2 = Pricing;

x_3 = Ambience;

$\omega_1, \omega_2, \omega_3$ are sample regression coefficients,

they are used to estimate population regression coefficients ($\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$).

To determine the coefficients, data was analyzed through SPSS. The detailed results are mentioned in *Appendix*. R^2 for the regression was 0. .637, and ANOVA (F = 211.429) was also significant (0.000), (*Appendix VIII*) indicating regression results are valid. The results of the regression model are mentioned in Table 20

TABLE 20: REGRESSION RESULTS FOR CUSTOMER LOYALTY

x's	Standardized Betas	t-value	Significance
Convenience	.567	17.850	.000
Pricing	.537	16.885	.000
Ambience	.176	5.529	.000

Source: SPSS data run (Appendix VIII).

From the results of Table 20, it is clear that all three factors are highly significant and impact customer loyalty, with 'convenience' and 'pricing' and showing higher impact, followed by ambience showing lesser impact.

Regression 3 (Satisfaction—Loyalty Relationship) – For Fast food chains.

The model can be written as:

$$y_3 = \omega_0 + \omega_1 \times x_1 \quad y_1 = \omega_0 + \omega_1 \times x_1 + \omega_2 \times x_2 + \omega_3 \times x_3 \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots(ix)$$

Where;

y3 = Customer Loyalty;

x1 = Overall Customer Satisfaction;

ω_0, ω_1 are regression coefficients.

To determine the coefficients, data was analyzed through SPSS, and the results are mentioned in Appendix IX. R^2 for the regression is 0.238, and ANOVA (F = 113.119) is also significant (0.000), indicating regression results are valid.

The results of the regression model are mentioned in Table 21

TABLE 21: REGRESSION RESULTS FOR SATISFACTION LOYALTY RELATIONSHIP

x's	Standardized Betas	t-value	Significance
Overall customer satisfaction	.490	10.636	.000

Source: SPSS data run (Appendix IX).

From the results of Table 21, it is clear the overall customer satisfaction is highly significant and impact customer loyalty.

Few Important Suggestions of respondents

When the respondents were asked to give suggestions on organized retail in Jaipur, then their suggestions were summarized in the table below.

- Adequate parking facility should be provided.
- Amount of waiting in billing should be reduced.
- Discounts should be offered from time to time so middle class can go in malls.
- Malls should be opened at specified locations only.
- In Jaipur VAT is very high. This needs to be reduced by the government.
- Retail stores should look for new customers in rural areas also. They can bridge the gap between city and villages.
- The actual prices should be maintained, instead of then giving discounts.
- Sitting facility for few moments of relaxation should be provided in Retail Stores.
- Trendy and fashionable outfits are not available at many retail stores.
- More branded stores should be opened in Jaipur and they should have of variety in the branded stocks.
- More branded outlets should be opened in Jaipur and they have branches within entire city.
- Promotion criteria should be more open so that old age people will move to mall from Kirana store.
- They should be an inquiry window in Retail malls.
- Organized retail store is not economical.
- Mall should also be opened in semi-urban/rural areas.
- Accessibility of retail outlet must be in reach of consumer, means it must not be located only at one centralized location, must be dispersed throughout the city.
- Mistakes in billing in organized retail should be reduced.

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- Vegetable and fruits should be fresh, Price of daily commodities should be less than MRP, Parking of Cars and vehicles should be free, Quality of all grocery should be good, Stock of clothes of all sizes should be available especially for children.
- There should be more brands for females and proper guidance by salesman should be given.
- Outlets should provide more scheme, discounts and there should be easy accessibility of the shops.
- The Price range of the stores should be revised as they are highly expensive.
- More branches of fast-food chain should be opened.
- More International Brands should be available.
- Should provide discount schemes time to time and also they should provide us latest fashion things from time to time.
- In restaurants cleanliness should be increased.
- Store staff incapable of handling crowd at weekends. Schemes and special offers are high priced hence not very attractive.
- Prices of specially garments are very high as compared to their quality.

FINDINGS AND CONCLUSION

It is an up hill task to serve today's pragmatic and enigmatic consumer because consumer is looking for huge variety of quality products, offering self-service, pleasant ambience, and store services like assistance, baggage, promotions, credit facilities etc. Hence it is imperative to bear in mind that consumer behaviour and shopping habits with regard to demographic–customer loyalty duo influencing the choice of retail outlets.

DEMOGRAPHIC DYNAMICS IN RETAILING IN JAIPUR

The consumer's age has significant influence on type of food and grocery retail outlets from which they purchase the products. The age groups and retail formats are dependent with each other. Gender and retail format are independent (no association) of each other. It could be concluded that that male and female respondent's patronage of food and grocery retail outlets is almost same irrespective of type of retail outlet. Demographic variable with respect to respondent's family size has significant impact on type of food and grocery retail outlets. Demographic variable with respect to consumer's occupation levels have significant impact on type of food and grocery retail outlets. Hence, occupation and type of retail formats for purchase of food and grocery products are dependent with each other. Consumer's growing income levels and availability of disposable money in hand have significant influence on type of food and grocery retail outlet from which they do shopping. Therefore, income levels and types of food and grocery retail outlets are dependent with each other. Consumer's increasing knowledge, awareness and educational levels have significant influence on types of food and grocery retail outlets. Therefore, dependency among them is obvious.

The study shows that consumer's education, occupation; family size and income levels are the major determinants for type of food and grocery retail outlets.

GENERAL ATTITUDE TOWARDS RETAIL SHOPPING IN JAIPUR

In the study, data was collected regarding the shopping pattern of respondents. The most important reasons of shopping in *kirana* stores in Jaipur (in which 80% of the respondents gave answers) were **Proximity/Easy Accessibility, cheaper products or reasonably priced, friendly behavior of shopkeeper, bargaining could be done & credit facility.**

The **major reasons of shopping in retail mall in Jaipur** were **Variety, all products available at one place, Display of goods, Quality, Offers & Discounts.** The **main source of media** through which the respondents get information about retails malls is **through friends and family (word of mouth publicity or through referrals)** and the **second important source** identified was through **Newspapers**.

CUSTOMER LOYALTY FINDINGS – FOOD & GROCERY SECTOR

Customer satisfaction is greatly affected by parking. It can be because they feel that it is feature which affects the satisfaction level. Sufficient parking facility registers as a component of service quality in supermarkets in the customers' minds in Jaipur. For understanding the parking requirements of the respondents, when asked on the mode used for commuting the 82 % of the respondents used their own vehicle (four-wheeler or two wheeler), 18 % of the respondents used public transport for commuting. Hence it could be said that adequate parking should be provided in Retail Malls in Jaipur.

The four factors that greatly impact the customer loyalty in Jaipur are **Pricing, Store Ambience, Shopping Convenience and Promotional Offers.**

Satisfaction and loyalty are most influenced by pricing features (price of products, discount offers, flexibility of payment modes), which establishes the fact that India is still a highly price conscious market.

The next best driver of satisfaction and loyalty is store ambience (cleanliness, spacious shop floor) and variety of products emphasizing the fact that in case of supermarket, retail shopping customers prefer to shop in an environment which is clean and properly stacked and where goods are displayed in proper manner so that they could spend their time in a leisurely manner choosing assorted products in an easy manner.

Overall satisfaction is again impacted by shopping convenience (location, shopping convenience and availability of products).

Soft Ambience (air-conditioning etc.) is the least influencing driver of satisfaction, this can be because supermarket customers mostly personably priced products. In case of loyalty, promotional offers are the third best driver and this is because loyal customers tend to go to supermarkets where they are assured discounts and offers.

The next important effect is that of manpower quality, because in spite of preference of self-service, loyal customers prefer to build relations with employees.

REGRESSION FOR OVERALL CUSTOMER SATISFACTION

'Pricing' and 'Promotional offers' have a significant impact on overall customer satisfaction. 'Store ambience' and 'Shopping convenience' is not significant at 5 percent level of significance.

All four factors are highly significant and impact customer loyalty, with pricing and shopping convenience showing higher impact, followed by store ambience and promotional offers showing lesser impact, overall customer satisfaction is highly significant and impact customer loyalty.

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**Fig. 8 MODEL - I Customer Loyalty & Customer Satisfaction Drivers
(Food & Grocery Segment in Jaipur)**
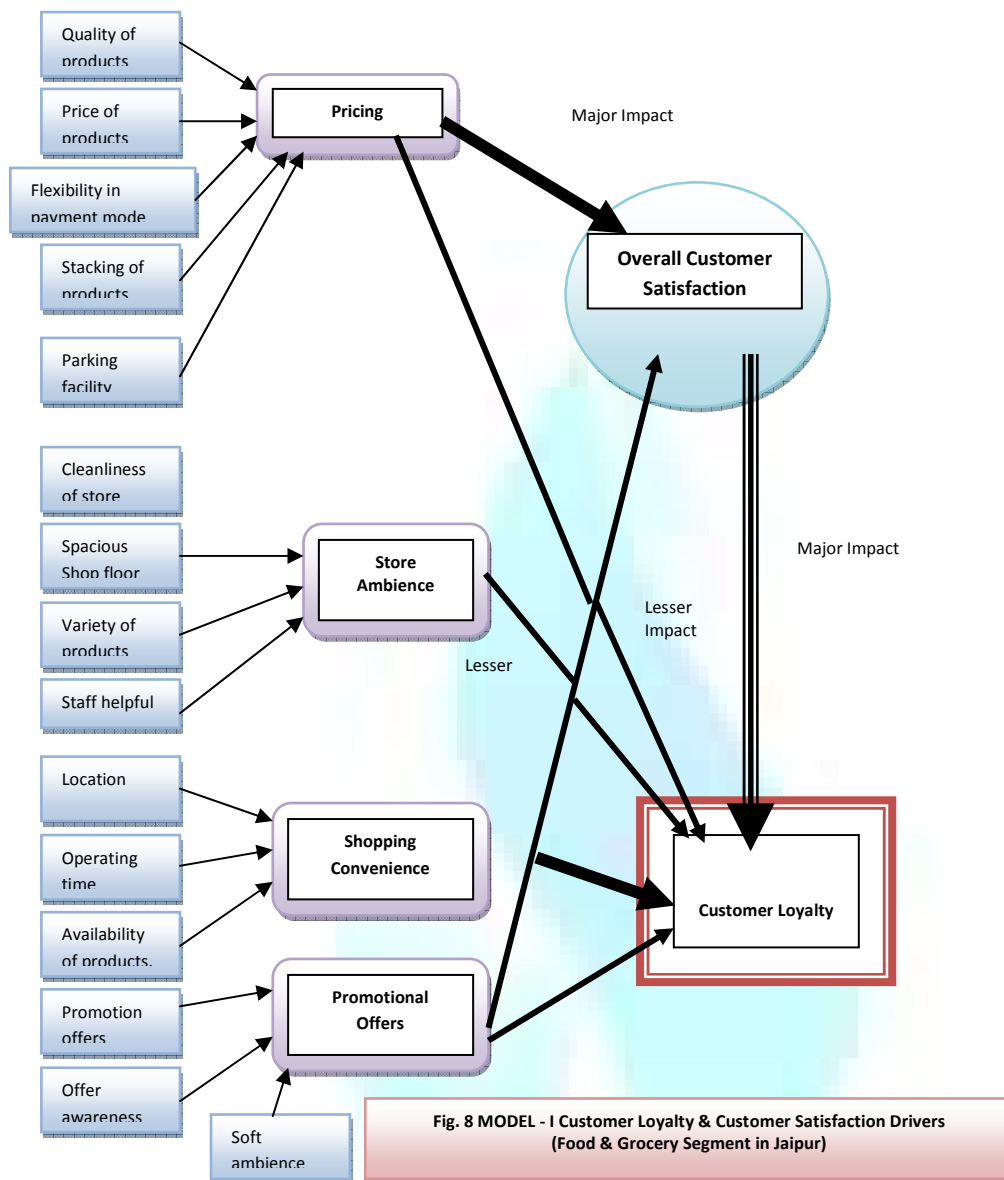
CUSTOMER LOYALTY FINDINGS – FAST FOOD CHAINS

The factor analysis of customer satisfaction and loyalty variables resulted into **three factors** - **Convenience, Pricing and Ambience** which had a significant impact on purchasing from fast-food retail chains in Jaipur.

Regression Analysis of the factors resulted into following findings:

- all three factors (Convenience, Pricing and Ambience) are important and have a significant impact on overall customer satisfaction, with 'pricing' showing very higher impact, followed by 'Convenience' & 'Ambience' with lesser impact.
- all three factors are highly significant and impact customer loyalty, with 'convenience' and 'pricing' and showing higher impact, followed by ambience showing lesser impact.
- overall customer satisfaction is highly significant and impact customer loyalty.

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The Second Model generated by research on FAST-FOOD Retail Segment in Jaipur is shown in Figure 9.

MODEL GENERATED BY RESEARCH

FACTOR ANALYSIS AND REGRESSION ANALYSIS
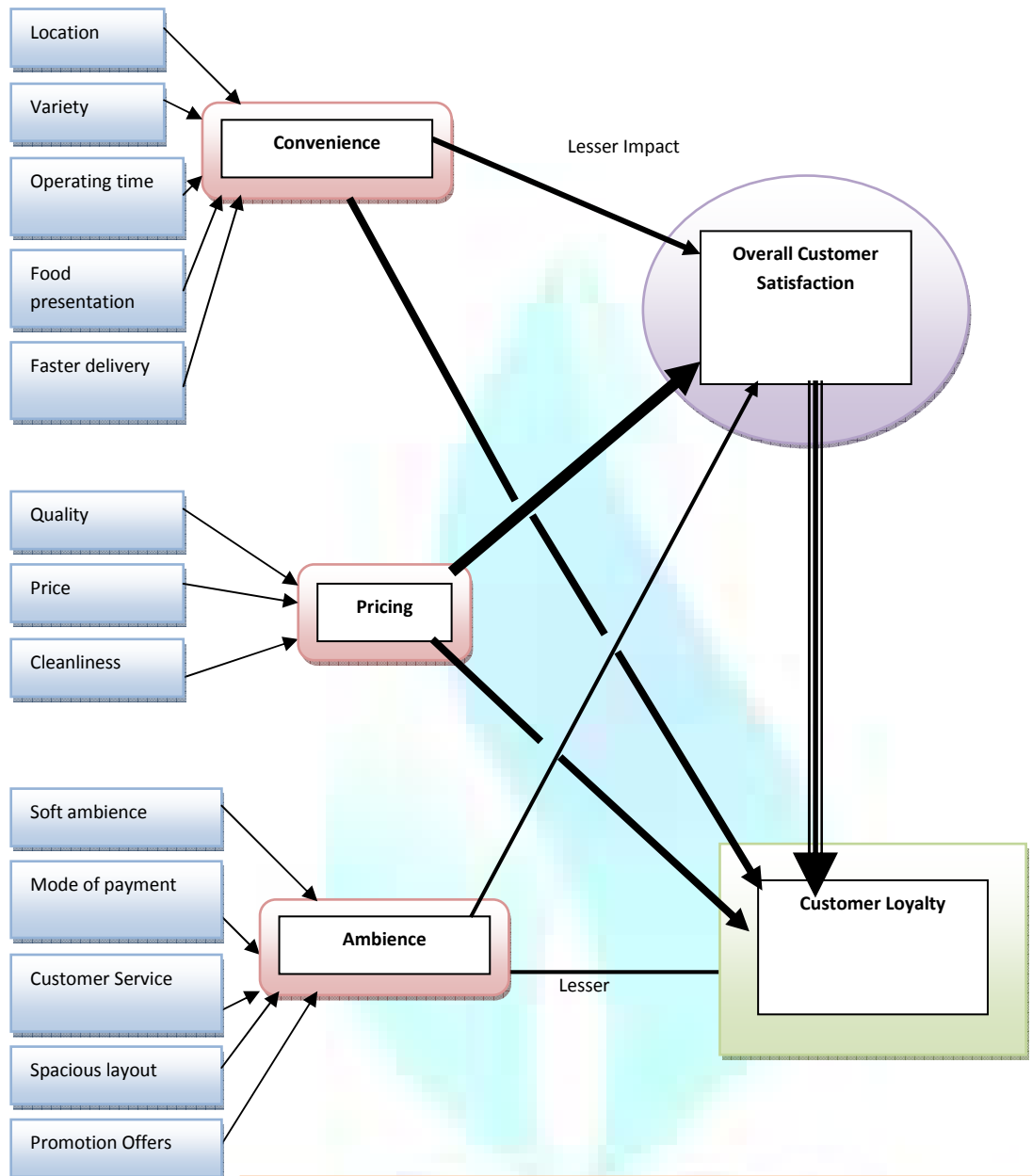
**Fig. 9 MODEL - II Customer Loyalty & Customer Satisfaction Drivers
(Fast Food Chains in Jaipur)**

LIMITATIONS AND FUTURE STUDY

A few limitations were identified in the course of this study.

First, the study focuses on only the nascent organised retail outlets in Jaipur. The results are based on the answers provided by the respondents chosen through convenience sampling as well as stores of only one supermarket chain and a fast-food chain. So this study can be seen as providing a direction for future research, and generalization to a wider population of retail supermarket industry should be done with some caution. Thus, this research work can be extended with additional samples collected from different supermarkets in order to go for generalizations. Such focus could limit the generalisations of the findings to the entire organised retail outlets in India.

Second, the sample size of respondents, although 360 was achieved in this study, which is considered as an acceptable size, nevertheless, it is felt that for a consumer research as this, using a larger sample size will be preferable and more representative of the whole population of retail customers in Jaipur or elsewhere.

Third, the study exclusively confined to demographic and customer loyalty variables. This limitation creates an opportunity for future research study in this area to include socio-economic and technological and more variables in the future research. There can be other factors influencing customer satisfaction and loyalty apart from factors suggested in this study which could be obtained by including more service variables in the study. Future studies could examine some of these factors.

Fourth, the study exclusively concentrates upon convenience stores, supermarkets and hypermarkets. This limitation creates an opportunity for future research studies in other than these stores e.g. departmental stores, discount stores and specialty stores. These future studies should improve the sample size in order to get greater validity and generalisation of the inferences to the whole population.

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Fifth, labeling of variables into factor was a limitation as the name may not completely signify all the variables factored. However, it was tried to give as general name as possible.

Sixth, the research only focuses on Food and Grocery and Fast-food chains. Future studies could be conducted in other retail sectors like Jewellery, Music etc. to get information on the other specific drivers.

CONCLUSION

The consumer's preferences are changing rapidity and becoming highly diversified. It is difficult for the retail stores to satisfy all the needs of the customers. The most of the consumer's want to get some attractive prices, good schemes and offers on every purchases and a shopping comfort as well. This empirical study investigated the influence of demographic dynamics and customer loyalty variables on organised food and grocery retail outlets and fast-food chains in Jaipur. Consumers are now into food and grocery shopping in a more involved manner than ever before. The organised food and grocery retails outlet are the preferred kind of stores by consumers. The perceptions and opinions of consumers vary while buying items in different types of retail outlets. Consumer's income levels play a pivotal role in the determination of demand for type of modern format. The results show that consumers are more sensible towards optimization of time and money while shopping. The results also prove that most of the consumers are price and quality association conscious. It was also found that customer satisfaction has a strong influence on loyalty, which means customers who are satisfied tend to continue shopping and recommend the retail store to others. Only the big retail chains are able to satisfy all these needs of the new age consumers whereas there is still some consumers mostly of the old age are willing to purchase from the local *kirana* store. Some of them have perception that these big stores are too costly to afford and some of them are not able to make purchases in a bulk so they do not want to waste their time to go especially to the big store for 2-3 items purchase. **Hence, it is concluded and suggested that organized retailers should exercise caution in serving the utmost needs, wants and preferences of potential and existing consumers in order to acquire and retain. Big Retail still has a long way to go before satisfying the highly diverse needs of the Indian population. As a result, there will be a steady state where Big Retail will co-exist with Small Retail.**

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APPENDIX I

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QUESTIONNAIRE

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This research aims at providing the best of the services to the consumers and improvement in services of organized retail in Jaipur, Rajasthan, India. Therefore your cooperation as a consumer is desired.

1.   Personal Information
1.1   Name: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐
Please tick (✓)
1.2   Gender:
            Male…..☐   Female…..☐
1.3   Age group:
                        15 – 25 years …………..☐   36 – 45 years …………☐
                        26 – 35 years …………☐   45 years and above…☐
1.4   Occupation:
                        Student……   ☐   Housewife……   ☐
                        Service…….   ☐   Business……….   ☐
1.5   Education:
                        SSC / Diploma….   ☐   Degree………….   ☐   PG…………………   ☐
1.6   Marital Status:
                        Single……   ☐   Married…..☐
1.7   Monthly Income
                        Below Rs. 10000….☐   Rs 10001 – Rs. 20000…☐   Rs. 20001 – Rs. 30000…☐   Rs. 30000 & above……☐
1.8   Family size
                        1-2 members…☐   3-4 members…☐   5-6 members…☐   >6 members…☐
2.   Retail Shopping Behaviour – Grocery
2.1   How many times do you visit Big Bazaar (an organized retail outlet):
                        Once in a week in a given month…………….☐
                        More than two times in a given month ……☐
                        at least for once in a given month…………☐
2.2   How much time you have been purchasing goods from organized retail outlets:
            For less than one year…☐   For more than 3 years……☐   change retail outlets as per convenience……☐
2.3   From which type of retail format do you purchase your food and grocery items:
Convenience Stores (Mom and Pop Shops)…   ☐   Supermarket (Vishal Mega Mart /Big Shopper)…☐
Hypermarket (Big Bazaar/Spencer)………………………☐
2.4   Please tick the average amount (in Rs.) spent by you per trip for shopping:
Less than Rs. 500…….☐   Between Rs. 500 - Rs. 1000……..☐   Between Rs. 1000 - Rs. 2000……☐
More than Rs. 2500…☐   Rs. 1000 - Rs. 2500…………………☐
2.5   Please tick (✓) the following service attributes of Big Bazaar?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
	1	2	3	4	5
The store location is convenient					
The store operating time is convenient					
Sufficient space for parking is available					
Cleanliness of the store is good					
Products are stacked in proper manner					
Soft ambience (Air conditioning, music) is good					
Shop floor is very spacious					
Products expected are available at all times					
Product range (variety) available is sufficient					
Products are of good quality					
Promotion offers provided are worthy					
Price of products is reasonable					
Staff are helpful					
Mode of payment is flexible					
Customers are well aware of the discount offers					
Overall satisfaction					
Continue buying					
Recommendation to others					

2.6   From where did you get the information about the retail outlets:
Newspaper……☐   TV/Radio…..☐   Friends/Family…..   ☐
Hoardings……..☐   Internet…….☐   Advt……
2.7   On an average, how much time do you spend in a retail outlet:
Less than hour an hour………   ☐   half an hour……….   ☐   One hour………☐
1-2 hours………………….……….   ☐   2-3 hours…………….   ☐   > 3 hours………☐
2.8   Can you recall any other names of organized retail outlets in Food & Grocery segment? If yes, please write them in your order of preference:_____
2.9   What do you like most about *kirana* shops? _____
2.10   Please rate, on the scale of 1 to 10, where 1 means unacceptable and 10 means outstanding, the services of the following grocery stores:
                        ➢   Big Bazaar   …………..☐./10

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- ➤ Big Shopper…………………….☐ /10
- ➤ Reliance Fresh………………….☐ /10
- ➤ MORE……………………………☐ 10
- ➤ Vishal……………………………☐ /10

3.   **Retail Shopping Behaviour – Fast Food Chain**

3.1   Can you recall any names of organized retail outlets in **Fast Food Chains** segment in Jaipur? If Yes, then please write them in order of preference._____

3.2   Please tick (✓) the following service attributes of Pizza Hut:

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
	1	2	3	4	5
The store location is convenient					
The store operating time is convenient					
Sufficient space for parking is available					
Cleanliness of the store is good					
Food presentation is very good					
Soft ambience (Air conditioning, music) is good					
Shop floor is very spacious					
Food variety available is sufficient					
Home delivery of food items					
Products are of good quality					
Promotion offers provided are worthy					
Price of products is reasonable					
Staff are helpful					
Mode of payment is flexible					
Faster delivery of food					
Overall satisfaction					
Continue buying					
Recommendation to others					

3.3   Please rate, on the scale of 1 to 10, where 1 means unacceptable and 10 means outstanding, the services of the following food outlets:
- ➤ Pizza Hut ……………………….. ☐ /10
- ➤ Mc Donald's…………………… ☐ /10
- ➤ Dominos………………………… ☐ /10
- ➤ Barista………………………….. ☐ /10
- ➤ Café Coffee Day………………… ☐ /10
- ➤ Baskins Robins………………… . ☐ /10
- ➤ Mafix……………………………. ☐ /10

4.   **Retail Shopping Behaviour – Apparel**

4.1   Can you recall any names of organized retail outlets in **Apparel & Footwear** segment in Jaipur? If Yes, then please write them in order of preference.
_____

4.2   Please rate, on the scale of 1 to 10, where 1 means unacceptable and 10 means outstanding, the services of the following retail outlets:
- ➤ Shoppers Stop…………………… ☐ /10
- ➤ Lifestyle………………………… ☐ /10
- ➤ Provogue………………………… ☐ /10
- ➤ Koutons………………………….. ☐ /10
- ➤ Vishal……………………… ☐ /10

5.   **Suggestions / Specific Needs**

_____ .

Date: _____   **(Signature)**

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A STUDY ON ATTITUDE OF WOMEN TOWARDS FITNESS CENTRE IN RAMANATHAPURAM, TAMILNADU

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ABSTRACT

This article is an outline of the study conducted on the topic" A Study on Attitude of Women towards Fitness Centre in Ramanathapuram, Tamil Nadu". The main objectives of the study are to find out the level of awareness of the women towards fitness centre, to analyze the purpose of going to fitness centre and to examine the attitude of the women towards fitness centre. The present study has been confined to Study the level of awareness and attitude of women towards fitness centre. The present study is an empirical research based on survey method. The researchers have collected primary data by comprehensive interview schedule and Secondary data have been collected from websites, books and journals with regard to the fitness centre. The study will cover only from the point of women who are going to the fitness centre. This study was carried out for a period of two months. The data which were collected from the respondents were analysed by using percentage analysis. Five point scales that are Likert's scale analysis, weighted average ranking and chi-square test. In Ramanathapuram Town Women have low level of awareness and low level of attitude towards fitness centre.

KEYWORDS
Awareness, Attitude, Fitness Products, Gym and Health Club

INTRODUCTION TO FITNESS CENTRE
Fitness centres also known as a fitness or health club and commonly referred as a gym. It is a place which houses exercise equipment for the purpose of physical exercise. Most health clubs have a main workout area, which primarily consists of free weights including dumbbells, barbells and exercise machines. This area often includes mirrors so that exercisers can monitor and maintain correct posture during their workout. A gym which predominately or exclusively consists of free weights like dumbbells and barbells as opposed to exercise machines is sometimes referred to a black-iron gym, after the traditional color of weight plates. Most new health clubs offer group exercise classes which are conducted by qualified fitness instructors. Many types of group exercise classes exist, but generally these include classes based on aerobics, cycling, boxing, high intensity training, regular and hot yoga and muscle training. Fitness center with swimming pools often offer aqua aerobics classes. Some health clubs offer sports facilities such as swimming pools, squash courts or boxing areas. In some cases, additional fees are charged for the use of these facilities. Newer health clubs generally include health-shops, snack bars, restaurants, child-care facilities, member lounges and cafes. It is not unusual for a sauna, steam shower, or wellness areas to be present. Health clubs generally charge fee to allow visitors to use the equipment, courses, and other provided services.

PROFILE OF RAMANATHAPURAM
Ramanathapuram is a municipality town in Ramanathapuram district in the Indian state of Tamil Nadu. It is the administrative headquarters of district. Of the 2001 India census, Ramanathapuram had a population of 61,976. Males constitute 50% of the population and females 50%. It has an average literacy rate of 79%, higher than the national average of 59.5%: male literacy is 84%, and female literacy is 74%. The town is located on south east Tamil Nadu and connected by NH49 connecting Kochi to Rameswaram and NH 210 connecting Trichy and Ramanathapuram. East Coast Road is the major costal road in east Tamil Nadu; this road also connects Ramanathapuram with Chennai, Pondicherry, Tuticorin and Kanyakumari. The town is connected well by railroads with major cities in India through Madurai Junction and Trichy Junction from Rameswaram. The nearest airport is the Madurai Airport about 125 km away from Ramanathapuram. Ramanathapuram is a famous historical place where Hindu holy place Rameswaram is situated (65 km).In Ramanathapuram there are six fitness centres such as Spectrum health centre, Master Jim, Royal Jim, yoga Jim, Warriers fitness centre and Ayra vaisiar health club.

STATEMENT OF THE PROBLEM
In ancient times, there were no modern means of technologies replacing human work and so people had more physical work. Therefore there was no fitness centre those times. Due to globalization we have more advanced technology now. But now-a-days majority of the women do not have physical work resulting in bad fitness and health condition. To avoid such type of bad health condition and to improve their body fitness the fitness centers have been started. But majority of the women are not much aware of fitness centre. Hence the researchers made an attempt to study the attitude towards fitness centre among women in Ramanathapuram Town. This study also tries to find out the purpose and the factors influencing the women for going to fitness centre.

RESEARCH OBJECTIVES
➢   To find the level of awareness of women towards fitness centre in Ramanathapuram Town.

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➢ To overview the purpose of going to fitness centres.
➢ To examine the attitude of women towards fitness centre.

REVIEW OF PREVIOUS STUDIES

There are numerous studies having been undertaken in areas related to this topic. The following studies have been reviewed.
➢ Women fitness centre has few takers' by R. Srikanth in The Hindu has reported in his article that the fitness centre for women by the Chennai Corporation at Kosapet remains vacant or closed due to lack of awareness and poor attitude of the people though this centre is equipped with best machines and other facilities .The Hindu- Feb 20, 2011.
➢ Women's Fitness Gym Workout by Thanate Tan has mentioned in the article that women who visit fitness centre say that it is worth the money they pay. Also the fitness centre provide the perfect workout for the busy woman who visits the centre to lose weight, to tone up, relieve stress etc. which experience a much higher quality of life.
➢ A Study on the satisfaction of the members on the services rendered by the women fitness club in Madurai is a dissertation submitted by Lavanya in the department of commerce at The American College. The main objective of her study is to find out the various services offered by the fitness centre and the satisfaction level of the women. She concluded that the people of Madurai are not much aware of the advantages of being fit. So the fitness centre does not like to offer many services to the people.

But however none of the studies has made any attempt to probe into the women attitude towards fitness centre. Hence, the researchers has undertaken the present study Titled "A Study On attitude Of Women Towards Fitness Centre In Ramanathapuram, Tamil Nadu" as a pioneering approach to find out the level of awareness of various factors and level of attitude towards fitness centre.

SCOPE OF THE STUDY

The present study has been confined to Study the level of awareness and attitude of women towards fitness centre. The study will cover only from the point of women who are going to the fitness centre.

PERIOD OF THE STUDY

The survey for collection of primary data was conducted during the month of April and May 2011

OPERATIONAL DEFINITIONS

➢ **Awareness**
Awareness refers to the knowledge about a particular product or services
➢ **Attitude**
Attitude is an expression of inner feelings that reflect whether a person is favourably or unfavourably predisposed to some 'object' (e.g. brand, a service). As an outcome of some psychological process, attitudes are not directly observable, but must be inferred from what people say or from their behaviour. An "Attitude is a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object".[3]
➢ **Fitness Products**
Fitness product includes Cycle, Twister, Stepper, Rope, Tread mill and so on.

METHODOLOGY

The present study is an empirical research based on survey method. The researchers have collected primary data by comprehensive interview schedule and Secondary data have been collected from websites, books and journals with regard to the fitness centre.

PRE-TESTING

The interview schedule prepared for the respondents have been pre-tested by the researchers' in person. Comments on the question were noted and after careful analysis necessary modification have been made in the interview schedule. Pre-testing was conducted on 10 respondents. The researchers interviewed two respondents each at Chettiar Street, near new bus stand, Salai Street, vasantha nagar and D-Block in Ramanathapuram. In the course of the interview, the researchers had experienced some difficulties in getting answers to some of the questions raised and suitable changes have been incorporated before finalizing the interview schedule.

SAMPLE DESIGN

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure, the researchers would adopt in selecting items for the sample. The study area covers Ramanathapuram Town, based on demographic, economic and other conditions as centre for the study in order to measure the awareness and attitude of women towards fitness centre. The sample size consist of 80 women respondents who were selected on the basis of convenience sampling method from Ramanathapuram Town. This study is both descriptive and analytical.

FRAMEWORK OF ANALYSIS

With reference to the objectives of the study, various factors are taken into consideration such as age of the respondents, educational qualification of the respondents, Occupation of the respondents, marital status of the respondents and monthly income of the respondents. The data which were collected from the respondents were analysed by using percentage analysis. Three point scale that is Likert's scale analysis and chi-square test. This study also uses comparison table as tool in order to study the various factors.

ANALYSIS AND INTERPRETATION

REASONS FOR GOING TO FITNESS CENTRE
The researchers have classified the reasons for preferring fitness centre by the respondents.

TABLE NO.1: REASONS FOR GOING TO FITNESS CENTRE

Reasons	Number of respondents	Percentage
To keep body fit & healthy	49	61
To reduce weight	26	33
To reduce stress	5	6
Total	80	100

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[3] Leon G. Schiffman and Lestie Lazar Kanuk. Consumer Behaviour, p.270.

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Source: primary data

The respondents were asked about the purpose of going to fitness centre. It was observed that 49(61%) of the respondents go to keep their body fit and healthy. 26(33%) of the respondents were going to reduce their weight and only six percentage of the respondents were going to reduce their stress. Unmarried students who are very much concerned about their body fit, healthy and physical appearance form the major part in using fitness centre.

AWARENESS TOWARDS FITNESS CENTRE

In this study the respondents are asked to give their opinion about fitness centre. The response observed for each of the items in the schedule have been scored and tabulated on a master sheet. The scoring factor is based on Likert's method. To secure the total score weights were given by the researchers to the following factors four points for friends, three for relatives, two for doctors and one for advertisements. Thus the total score were obtained.

The levels of awareness has been classified in three categories namely, high level, medium level and low level for analytical purpose, while the score value $\geq \bar{x} + \sigma$ and score value $\geq \bar{x} - \sigma$ have been classified as high level and low level of awareness respectively, the score value between $\bar{x} - \sigma$ and $\bar{x} + \sigma$ are classified as medium level of awareness. $\bar{x}$ and σ are the arithmetic mean and standard deviation calculated from the score value of 80 respondents Based on the mean and standard deviation, the levels were classified as below. $\bar{x} + \sigma$ is (7.9) – above 8 – high level, $\bar{x} - \sigma$ is (3.1) – below 3 – Low level and($\bar{x} - \sigma$) to ($\bar{x} + \sigma$) is between 3 and 8 – Medium level

Table 2 highlights the cross tabulation between the personal factors of the respondents and Level of awareness of the respondents towards fitness centre. The researchers have made an attempt to study the level of awareness among women towards fitness centre. The factor is classified as high level, medium level and low level. This factor has been cross tabulated with other factors like age, educational qualification, occupation and marital status.

TABLE NO. 2: LEVEL OF AWARENESS AND PERSONAL FACTORS

Personal factors		Level of awareness			
		High	Medium	Low	Total
Age	Below 20 years	5	7	22	**34**
	20-40 years	3	14	29	**46**
	Total	**8**	**21**	**51**	**80**
Educational Qualification	HSC	-	18	17	**35**
	UG	2	3	26	**31**
	PG	6	-	8	**14**
	Total	**8**	**21**	**51**	**80**
Marital Status	Married	-	10	17	**27**
	Unmarried	8	11	34	**53**
	Total	**8**	**21**	**51**	**80**
Occupation	Students	7	6	29	**42**
	Home maker	-	12	-	**12**
	Employees	1	3	22	**26**
	Total	**8**	**21**	**51**	**80**

Source: Primary Data

It is observed that out of 80 respondents, 29 respondents are having low level of awareness are under the age group of 20 and 40 years. Only six post graduates have high level of awareness. Eight respondents having high level of awareness are married women. Out of 42 female students 29 students have low level of awareness. All the 12 respondents having medium level of awareness are home makers. The study disclose that majority of the women have low level of awareness towards fitness centre because fitness centre organisation fail to create health and body fitness awareness programmes among the women especially to the married women and homemakers

CHI-SQUARE TEST RESULTS- **AWARENESS TOWARDS FITNESS CENTRE**

Following are the results for chi-square test between demographic factors of the respondents and level of awareness towards fitness centre

To find out whether there is a significant relationship between these two factors, the following null hypothesis is framed. The frequency of cell value is less than 5. Hence Yates Correction is applied in chi- square test.

 Ho – There is no significant relationship between the personal factors of the respondents and their level of awareness towards fitness centre.

The table value of x^2 for degree of freedom 2 at 5% level of significance is 5.991. The calculated value of x^2 is less than the table value, therefore the null hypothesis is accepted that there is no significant relationship exists between the **age** and the **level of awareness** regarding fitness centre.

The table value of x^2 for degree of freedom 4 at 5% level of significance is 9.488. The calculated value of x^2 is more than the table value, therefore the null hypothesis is rejected that there is a significant relationship exist between the **educational qualification and the level of awareness** regarding fitness centre.

 The table value of x^2 for degree of freedom 2 at 5% level of significance is 5.991. The calculated value of x^2 is more than the table value, therefore the null hypothesis is rejected that there is a significant relationship exist between the **marital status** and the **level of awareness** regarding fitness centre.

The table value of x^2 for degree of freedom 4 at 5% level of significance is 9.488 The calculated value of x^2 is more than the table value, therefore the null hypothesis is rejected that there is a significant relationship exist between the **occupation and the level of awareness** regarding fitness centre.

ATTITUDE OF WOMEN TOWARDS FITNESS CENTRE

In this study the respondents are asked to give their opinion on the basis of three level of satisfaction namely satisfied, neutral and dissatisfied. The response observed for each of the items in the schedule have been scored and tabulated on a master sheet.

The scoring of factor is based on Likert's method. To secure the total score the researchers had allotted three for satisfied, two for neutral and one for dissatisfied.. Thus the total score were obtained.

The levels of attitude has been classified into three categories namely, high level, medium level and low level for analytical purpose, while the score value $\geq \bar{x} + \sigma$ and score value $\geq \bar{x} - \sigma$ have been classified as high level and low level of attitude respectively, the score value between $\bar{x} - \sigma$ and $\bar{x} + \sigma$ are classified as medium level of attitude. $\bar{x}$ and σ are the arithmetic mean and standard deviation calculated from the score value of 80 respondents Based on the mean and standard deviation the levels were classified as below.

$\bar{x} + \sigma$ – **Above 23 – high level**

$\bar{x} - \sigma$ – **Below 14 – Low level**

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$(\overline{x} - \sigma)$ to $(\overline{x} + \sigma)$ –Between 14 and 23 – Medium level

The researchers have made an attempt to study the level of attitude of the respondents. The factor is classified as high level, medium level and low level. This factor has been cross tabulated with other factors like age, educational qualification, occupation and marital status. Following are the factors to find out the level of attitude of respondents towards fitness centre are Quality of Training, Equipment Availability, Maintenance, Environment, Fees Charged, and Additional Services respectively

Table 3 shows the cross tabulation between the personal factors of the respondents and Level of attitude of the respondents towards fitness centre

TABLE NO. 3: LEVEL OF ATTITUDE AND PERSONAL FACTORS

Personal factors		Level of attitude			
		High	Medium	Low	Total
Age	Below 20 years	4	10	20	**34**
	20-40 years	1	4	41	**46**
	Total	**5**	**14**	**61**	**80**
Educational Qualification	HSC	4	8	23	**35**
	UG	1	4	26	**31**
	PG	-	2	12	**14**
	Total	**5**	**14**	**61**	**80**
Marital status	Married	3	7	17	**27**
	Unmarried	2	7	44	**53**
	Total	**5**	**14**	**61**	**80**
Occupation	Students	4	6	32	**42**
	Home maker	-	6	6	**12**
	Employees	1	2	23	**24**
	Total	**5**	**14**	**61**	**80**

Source: Primary data

It is observed from the above table 3 that the level of attitude towards the fitness centre is very much low under the age group of 20-40 years. The respondents in each of the Under-graduation and Post-graduation educational category opined that they have very low level of attitude whereby it shows that they are not satisfied with the fitness centre. In case of the unmarried respondents the level of attitude is very much low while compared to the married. In the Occupational category, employees and students opined that they have very low level of attitude towards the fitness centre. By and large, the overall opinion of the respondents have resulted to the low level of attitude towards the fitness centre and this is due to the poor quality of training by the trainer in the centre, lack of equipment availability during rush hours, poor maintenance of equipment, locality of the centre in congested area, exorbitant fees charged by the centre and no additional services provided by the centre like rest room, lockers, parking zone, etc. These are the factor which leads to the dissatisfactory level of attitude.

CHI-SQUARE TEST RESULTS- ATTITUDE OF WOMEN TOWARDS FITNESS CENTRE

Following are the results for chi-square test between demographic factors of the respondents and level of attitude towards fitness centre

To find out whether there is a significant relationship between these two factors, the following null hypothesis is framed. The frequency of cell value is less than 5. Hence Yates Correction is applied in chi- square test.

Ho: **there is no significant relationship between the personal factors of the respondents and their level of attitude towards fitness centre.**

The table value of x^2 for degree of freedom 2 at 5% level of significance is 5.991. The calculated value of x^2 is more than the table value, therefore the null hypothesis is rejected that there is a significant relationship exist between the **age** and the **level of attitude** regarding fitness centre.

The table value of x^2 for degree of freedom 4 at 5% level of significance is 9.488 The calculated value of x^2 is less than the table value, therefore the null hypothesis is accepted that there is no significant relationship exist between the **educational qualification** and **the level of attitude** regarding fitness centre.

The table value of x^2 for degree of freedom 2 at 5% level of significance is 5.991. The calculated value of x^2 is less than the table value, therefore the null hypothesis is accepted that there is no significant relationship exists between the **marital status** and the **level of attitude** regarding fitness centre.

The table value of x^2 for degree of freedom 4 at 5% level of significance is 9.488 The calculated value of x^2 is more than the table value, therefore the null hypothesis is rejected that there is a significant relationship exist between the **occupation and the level of attitude** regarding fitness centre.

MAJOR FINDINGS AND SUGGESTIONS

➢ Majority of the women have low level of awareness towards fitness. To increase the level of awareness. The fitness centre has to create awareness among women by advertisement through Television, News paper, Poster and also they should conduct meetings and camp.

➢ Majority of the fitness centre have offered additional services like changing room and health advice but the respondents expect more additional services. So fitness centre must offer more services like child care, aerobic training, yoga, and refreshment and so on.

➢ As regard to the attitude towards fitness centres, it is low. To convert the low level into high level the fitness centre should provide effective services regarding exercises and high tech environment.

➢ In fitness centre trainers are appointed to give training to the respondents regarding exercise. But majority of the respondents opined that they are not giving training effectively. To increase the level of attitude towards fitness centre among women. 54% of the fitness centre maintain records of customers' body weight and compare it after a month for further improvement and they recommended special diet to reduce their weight. They have to give quality training and maintain their records of weight, body condition and so on.

CONCLUSION

Women fitness centre will help every woman to set and achieve the goal of an active life for a healthy living. The key to transforming an overweight or average body is proper diet and exercise techniques. Mickey Mehta, India's holistic health guru, explains, "The fundamental basis of a high intensity workout is that the exercises need to be intense, done at high effort levels that can promote fat loss, boost metabolism and improve strength, stamina and tone". Thus every woman must aware on the importance of following a well balanced fitness regime.

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FACTORS AFFECTING EQUITY INVESTORS' BEHAVIOR

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ABSTRACT

The growth of financial market attracts attention towards investors and their behavior. The researchers, academicians and industrialists realize the importance of behavior finance. The behavior finance is nothing but psychological and sociological issues that impact the decision-making process of individuals, groups, and organizations[7]. For the study, the equity investors were selected from city of Ahmedabad and Khambhat (Gujarat). The data is collected through questionnaire. The statistical tool like Likert scale and Chi Square has been applied. The study found that the most influencing factors in investment decisions are "financial performance of Company, long Term Performance of Stock, sentiment for the stock market, expected Results of the company (Cash dividend, Bonus Share, Buyback of Shares), reputation of Firm. FII Movement in Stock Market, Affordability of Share Price". And less influencing factors are "coverage in Print media, company's Ratio analysis, CSR of the company, traded in multiple stock exchanges."

KEYWORDS

Behavioural Finance, chi square test, Likert Scale.

INTRODUCTION

The Indian capital market has been growing tremendously with the reforms of the industrial policy, public sector and financial sector and new economic policies of liberalization, deregulation and restructuring. The milestones of Indian capital are… NSDL cross 1 crore in Demat accounts which hold 80% of market shares[1] and CDSL having more than 75 lacs Demat accounts[2]. The addition of new Demat accounts in India is about 2 Lacs per month. The recent data of CARE Research and SEBI showcases the revival of the IPO market, with 14 IPOs in 2011, which raise Rs. 40000 crore[3]. There are 4,365 mutual fund schemes which manage 700537 crore under AUM[5]. The various commodities across the country clock an annual turnover of Rs 1, 40,000 crore (Rs 1,400 billion)[4]. With the introduction of futures trading, the size of the commodities market grows many folds here on[6]. This growth of financial market attracts attention towards investors and their behavior. The researchers, academicians and industrialists realize the importance of behavioral finance. The behavioral finance is nothing but psychological and sociological issues that impact the decision-making process of individuals, groups, and organizations[7]

LITERATURE REVIEW

Hong and Stein (1999) hypothesize that the market contains two groups of investors who trade based on different sets of information. Informed investors base their trades on signals about future cash flows while trades by technical traders are based on a limited history of prices. Information obtained by informed investors is transmitted slowly into the market, leading to an under-reaction pattern in stock returns. Technical traders rely on the past history of prices and extrapolate the trend too far, pushing prices of past winners away from fundamental values, which lead to a reversal in returns.[8]

In the paper of "A model of investors' sentiment", Journal of Financial Economics Barberis, Shleifer and Vishny (BSV) (1998) propose a model of investor behaviour that is motivated by two judgment biases: conservatism and representativeness. Conservatism leads investors to update their beliefs very slowly in the face of new evidence. Representativeness leads them to give too much weight to recent trends in the data in spite of the low probability of occurrence of such a trend in the population. The conservatism bias leads investors to under-react in the short-run which, in combination with the representativeness bias, leads to long-term return reversals.[9]

Fama (1998) in his research published in Journal of Financial Economics argues that behavioral models cannot explain the long-run abnormal return evidence since the over-reaction of investors to some events and under-reaction to others implies that on average, investors are unbiased in their reaction to information.[10]

Merilkas and Prasad (2003) adopted a questionnaire method to analyze factors influencing the Greek investor behavior on the Athens Stock Exchange. The results specified that individuals take their stock purchase decisions on Economic Criteria combined with other different variables including the firms' specific development.[11]

Krishnan and Booker (2002) examined the factors influencing the decision of investors who used analysts' recommendations to reach at a short term decision to hold or sell a stock. The results signified that a strong form of the analyst precise recommendation report decreased the error for gains and also reduced the error for losses.[12]

R A Nagy and R W Obenberger (1994) aimed at identifying the most and the least influencing factors on the UAE investor behavior. They developed a questionnaire with thirty-four items that belong to five categories:, self-image/firm-image co-incidence, accounting information, neutral information, advocate recommendations and personal financial needs. The main findings were: (i) accounting information or the classical wealth–maximization criteria is the most influencing group on the UAE investor behavior; (ii) neutral information is the least influencing group on the UAE investor behavior; (iii) two factors unexpectedly had the least influence on the Behavior of the UAE investors' behavior, namely religious reasons and the factor of Family member opinions.[13]

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Werner Antweiler & Murray Z. Frank (2006) test the idea that once news is made public, the information is fully reflected in prices within at most a day or two ("the efficient market hypothesis"). They used the set of 250,000 Wall Street Journal corporate news stories from 1973 to 2001. They classified each topic with a sufficient number of identified events and run an event study. They coming with some interesting findings like on average there is a reversal ('overreaction') so that pre-event and post-event abnormal returns have the opposite sign. And statistically significant return momentum is observed for many days after publication14.

OBJECTIVE

- To identify which are major factors affecting equity investors' investment decision.
- To know, different impact of common factor on equity investors of small city to large city while taking the investment decision.
- To know the investors' perception towards investment in equity market.
- To study the people's preferences among different investment alternatives.
- To know the impact of demographic factors on investment pattern.

RESEARCH METHODOLOGY

RESEARCH METHOD

For data analysis and hypothesis testing different charts, chi square test, Likert scale and Z test is used. In liker scale the number of factors responded by respondents are multiplied by numbers to get numerical value of influence. No influence multiplied by 1, Some Influence by 2 and Strong Influence by 3. This will get the score & can be find out the factors which strongly influence the investors' decision. Each question can score maximum 600. So above 420 (70%) will consider high influencing factors in investment decision and below it will consider medium to low influencing factors in investment decision. These scores will apply with appropriate statistical tools to prove the hypothesis.

HYPOTHESIS

1. Ho = 33% of investors are strongly influenced by Expected Global Economy performance.
H1 = More than33% of investors are strongly influenced by Expected Global Economy performance.
2. Ho = 40% investors are highly influenced by financial performance of the company.
H1 = More than 40% investors are highly influenced by financial performance of the company.
3. Ho = 50% investors are not influence by news coverage in electronic media
H1 = More than 50% investors are influence by news coverage in electronic media
4. Ho = 60% investors are not influence by company's ratio analysis.
H1 = Less than 60% investors are influence by company's ratio analysis.
5. Ho = 50% of investors are strongly influenced by Affordability of Share Price.
H1 = More than 50% of investors are strongly influenced by Affordability of Share Price.
6. Ho = 70% investors are highly influenced by sentiment of stock market
H1 = More than 70% are highly influenced by sentiment of stock market
7. H0: Saving purpose and city both are independent.
H1: Saving purpose and city both are dependent.

SAMPLING DESIGN

The primary data was collected from investors who are having trading account. The data were acquired form questionnaire survey of 100 investors from Ahmedabad and Khambhat each. Total 200 questionnaires were collected. The non disguise structured questionnaire was used for the research.

SAMPLING METHODS

A non probability sample design supported with convenience sampling was used for collecting data.

EMPIRICAL RESULT

From the collected questionnaire following demographical details are originated. **(QUESTIONNAIRE ANALYSIS)**

Table 1 revealed that the proportion of male compared to female is very high in respondent investors. And in Ahmedabad (Metro city) 25% females are investing which is higher than Khambhat (small city) i.e, only 11%.

Table 2 focuses on age of the respondents. Highest number of investors falls in the age range of 41-55 years in case of Ahmedabad and 26-40 years in case of Khambhat. Thus overall highest no. of investors falls in age of 41-55 years i.e. 31% & lowest are of 18 to 25 years i.e. 19%.

As per table 3 in both the cities majority of investors are Graduates i.e. 55.50% while only 5% investors hold Professional Degree Holder. While, Under Graduates and Post Graduates ratios in both the cities are merely equal

Table 4 revealed that highest no. of participants in survey is salaried employees while lowest numbers of participants are housewives. In the 1st chart we can see that housewives, students & retired are more in Ahmedabad than that of in Khambhat. It shows the less involvement of them in small city.

Table 5 revealed that more than 61% are experienced investors who invest for more than 3 years.

Table 6 revealed that savings is high priorities goal for investment followed by future expenses and regular income.

As per table 7 it can conclude that as all respondents were equity investors, the major investment falls in stock market followed by bank deposit, insurance and post office savings.

Table 8 revealed that the major causes of investors' loss are their own study. Because most of the investors relied on their own study, friends and relative advice. No proper advisory services available in Khambhat compare to Ahmedabad. And that's why they have to depend on their own study for investment.

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TABLE 9: INFLUENCE OF DIFFERENT FACTORS ON INVESTORS' DECISION

No.	Factors	1=No Influence	2=Some Influence	3=Strong Influence	Total
1	Expected Global Economy performance	30+24=55	72+58=130	99+141=240	**425**
2	FII Movement in Stock Market	34+12=46	80+56=136	75+180=255	**437**
3	Current Economic Indicators like GDP, money supply, interest rates etc.	31+19=50	74+86=160	96+114=210	**420**
4	Expected domestic Economy performance	28+28=56	84+84=168	90+90=180	**404**
5	Coverage in Electronic (Internet) Media	36+35=71	66+94=160	93+54=147	**378**
6	Coverage in Print media	39+43=82	94+86=180	42+42=84	**346**
7	Reputation of Firm	19+24=43	68+60=128	141+138= 279	**450**
8	Expected Results of the company (Cash dividend, Bonus Share, Buyback of Shares)	25+16=41	56+74=130	141+141= 282	**453**
9	Financial performance of Company	19+11=130	56+58=114	156+180= 336	**480**
10	Company's share in Industry	41+31=72	72+70=142	69+102=171	**385**
11	Details of Products and Services	40+34=74	50+76=126	105+84=189	**389**
12	International Operations of the Company	41+37=78	80+80=160	57+69=126	**364**
13	Institutional Holdings in the company	29+37=66	76+86=162	99+60=159	**387**
14	Promoters' holding in the company	30+41=71	64+64=128	114+81= 195	**394**
15	Recent Price Movements of Firm's Stock	21+23=44	56+98=154	153+84= 237	**435**
16	Long Term Performance of Stock	17+23=40	70+42=112	144+168= 312	**464**
17	Past Performance of the Stock Portfolio	27+28=55	80+80=160	99+96=195	**410**
18	Company's' Ratio analysis	52+44=96	64+66=130	48+69=117	**343**
19	CSR of the company	50+51=101	76+52=128	36+69=105	**334**
20	Affordability of Share Price	29+24=53	58+62=120	126+135= 261	**434**
21	Sentiment for the stock market	20+16=36	70+60=130	135+162= 297	**463**
22	Brokerage House Recommendation	45+38=83	64+76=140	69+72= 141	**364**
23	Recommendation by Friend & Family	40+36=76	56+74=130	96+81= 177	**383**
24	Traded in multiple stock exchange	49+60=109	70+50=120	48+45= 93	**322**
25	Tax advantage of the investment	43+41=84	38+60=98	114+87= 201	**383**
	Total	836+776= 1612	1694+1752= 3446	2445+1752= 4959	**10047**

Above table revealed the factors which affect equity investors' decision, while investing into equity. From city wise tables, it can conclude that factors which are affecting equity investors decision in small cities (like Khambhat) differs from large & developed cities (like Ahmedabad). Some common factors in both the cities which are strongly influencing the investors as per table 9 are: (City wise table in Annexure)

Factors having the score of more than 420 out of 600 i.e. more than 70%

- Financial performance of Company with score of 480 i.e. 80%
- Long Term Performance of Stock with score of 464 i.e.77%
- Sentiment for the stock market with score of 463 i.e. 77%
- Expected Results of the company (Cash dividend, Bonus Share, Buyback of Shares) with score of 453 i.e. 76%
- Reputation of Firm with score of 450 i.e.75%
- FII Movement in Stock Market with score of 437 i.e. 73%
- Affordability of Share Price with score of 434 i.e. 72%
- Expected Global Economy performance with score of 425 i.e. 71%

So, conclusion can be drawn that when investors invest into equity, financial performance of the company and past performance of the stock is very important. The other important factors are sentiment of the stock market, expected result, FIIs movement, share price affordability are also influencing factors in equity investment.

Factors having the score of less than 420 out of 600 i.e. less than 70%.

- Coverage in Print media with the score of 346
- Company's' Ratio analysis with the score of 343
- CSR of the company with the score of 334
- Traded in multiple stock exchange with the score of 322

Here it can be revealed that, there is low to medium influence of news paper coverage, financial statement analysis, CSR of the company and listing in multiple stock exchanges.

HYPOTHESIS TESTING

HYPOTHESIS 1

1.   Ho = 33% of investors are strongly influenced by Expected Global Economy performance.

H1 = More than33% of investors are strongly influenced by Expected Global Economy performance.

With α = 5%, n = 200 P^ = 0.40 p = 0.33 q = 0.67

$$Z_{cal} = \frac{P^\wedge - P}{\sqrt{PQ/n}} = \frac{0.40 - 0.33}{\sqrt{0.33 \cdot 0.67/200}} = 2.11$$

Ztab At α = 5% from the normal table is = 1.645, that means Zcal > Ztab. So, Ho is rejected and can conclude that more than 33% investors are strongly influenced by expected global economy performance.

HYPOTHESIS 2

2.   Ho = 40% investors are highly influenced by financial performance of the company.

H1 = More than 40% investors are highly influenced by financial performance of the company.

With α = 5%, n = 200 P^ = 0.56 p = 0.40 q = 0.60 x=112

$$Z_{cal} = \frac{P^\wedge - P}{\sqrt{PQ/n}} = \frac{0.56 - 0.40}{\sqrt{0.40 \cdot 0.60/200}} = 4.62$$

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Ztab At ⬚= 5% from the normal table is = 1.645, that means Zcal > Ztab. So, Ho is rejected and can conclude that more than 40% investors are highly influenced by financial performance of the company.

HYPOTHESIS 3

3.   Ho = 50% investors are not influence by news coverage in electronic media

H1 = More than 50% investors are influence by news coverage in electronic media

With ⬚ = 5%, n = 200 P^ = 0.355 p = 0.50 q = 0.50 x=71

$Z_{cal} = \frac{P^{\wedge} - P}{\sqrt{PQ/n}} = \frac{0.355 - 0.50}{\sqrt{0.50 \cdot 0.50/n}}$ = -4.1

Ztab At ⬚= 5% from the normal table is = 1.645, that means Zcal < Ztab. So, Ho is fails to reject. And can conclude that 50% or less than 50% investors are not influence by news coverage about stock in electronic media.

HYPOTHESIS 4

4.   Ho = 60% investors are not influence by company's ratio analysis.

H1 = Less than 60% investors are influence by company's ratio analysis.

With ⬚= 5%, n = 200 P^ = 0.48 p = 0.60 q = 0.60 x=96

$Z_{cal} = \frac{P^{\wedge} - P}{\sqrt{PQ/n}} = \frac{0.48 - 0.60}{\sqrt{0.60 \cdot 0.40/200}}$ = -3.47

Ztab At ⬚ = 5% from the normal table is = -1.645. it means Zcal < Ztab. Here, Ho is rejected. And can interpret that less than 60% investors are influence by company's ratio analysis.

HYPOTHESIS 5

5.   Ho = 50% of investors are strongly influenced by Affordability of Share Price.

H1 = More than 50% of investors are strongly influenced by Affordability of Share Price.

With ⬚= 5%, n = 200 P^ = 0.435 p = 0.50 q = 0.50 x=87

$Z_{cal} = \frac{P^{\wedge} - P}{\sqrt{PQ/n}} = \frac{0.435 - 0.50}{\sqrt{0.50 \cdot 0.50/200}}$ = -1.84

Ztab At ⬚= 5% from the normal table is = +1.645. Here Zcal < Ztab. So can conclude that Null hypothesis is failed to reject and conclude that 50% or less than 50% investors are strongly influenced by affordability of share price.

HYPOTHESIS 6

6.   Ho = 70% investors are highly influenced by sentiment of stock market

H1 = More than 70% are highly influenced by sentiment of stock market

With ⬚ = 5%, n = 200 P^ = 0.495 p = 0.70 q = 0.30 x=99

$Z_{cal} = \frac{P^{\wedge} - P}{\sqrt{PQ/n}} = \frac{0.495 - 0.70}{\sqrt{0.70 \cdot 0.30/200}}$ = -6.33

At ⬚ = 5% from the normal table is = 1.645. It can observed that Zcal < Ztab. And can conclude that Ho is failed to reject. So, it can be interpreted that 70% or less than 70% investors are highly influenced by stock market sentiments.

HYPOTHESIS 7

7.   H0: Saving purpose and city both are independent.

H1: Saving purpose and city both are not independent.

Observed Frequencies			
	No. of Results		
Purpose	Ahmedabad	Khambhat	Total
Savings	53	55	108
Child Education	17	7	24
Tax planning	16	19	35
Regular income	21	22	43
Future expenses	28	19	47
For Retirement	18	15	33
Total	153	137	290

Expected Frequencies			
	No. of Results		
Purpose	Ahmedabad	Khambhat	Total
Savings	56.98	51.02	108
Child Education	12.66	11.34	24
Tax planning	18.47	16.53	35
Regular income	22.69	20.31	43
Future expenses	24.80	22.20	47
For Retirement	17.41	15.59	33
Total	153	137	290

No.	Oi	Ei	Oi-Ei	(Oi-Ei)2	(Oi-Ei)2/Ei
1	53	56.98	-3.98	15.83	0.28
2	17	12.66	4.34	18.82	1.49
3	16	18.47	-2.47	6.08	0.33
4	21	22.69	-1.69	2.84	0.13
5	28	24.80	3.20	10.26	0.41
6	18	17.41	0.59	0.35	0.02
7	55	51.02	3.98	15.83	0.31
8	7	11.34	-4.34	18.82	1.66
9	19	16.53	2.47	6.08	0.37
10	22	20.31	1.69	2.84	0.14
11	19	22.20	-3.20	10.26	0.46
12	15	15.59	-0.59	0.35	0.02

$x^2 cal = \sum_{i=1}^{n} \frac{(oi - ei)^2}{ei}$ = 5.61

$df = (r-1)*(c-1)$ = (6-1) (2-1) = 5

⬚= 5%, $x^2 tab$ = 11.070, $x^2 cal = 5.61$ it means $x^2 cal < x^2 tab$. So, here Ho is failed to reject. That means the saving purpose and city are independent. Due to different thinking on living standard, importance to education the purpose of investment might be different and that is why impact of purpose is different in urban and metro city.

CONCLUSION

From the analysis of questionnaire, we found following similarities among investors of Khambhat and Ahmedad.

- In both the cities females and retired persons are not actively participate in investment decision.
- In both the cities salaried respondent are higher in number and active investors.
- Majority of investors came in the income range of Rs. 100000-500000.
- In both the cities knowledgeable investors are more than moderators, experience & beginners.
- Investors in both the cities preferred to invest in public sector.

The differences among investors of Khambhat and Ahmedabad were.

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- Due to improper and inefficient broking and advisory services investors of Khambhat are depend on their own study. But in Ahmedabad there are lots of broking firms available so they depend on broker's advice.
- In Ahmedabad we found the investors of all age group & occupation, whereas in Khambhat most of the investors are salaried & businessmen & fall in the age group of 26-40.
- In Ahmedabad proportion of female is 25%, whereas in Khambhat it is only 11%.
- In Ahmedabad proportion of retired is 17%, whereas in Khambhat it is only 5%.

From hypothesis testing it can be easily understand the most influencing factors in decision making. The most influencing factors in investment decisions are "financial performance of Company, long Term Performance of Stock, sentiment for the stock market, expected Results of the company (Cash dividend, Bonus Share, Buyback of Shares), reputation of firm, FII Movement in Stock Market, Affordability of Share Price". And least influencing factors are "coverage in Print media, company's Ratio analysis, CSR of the company, traded in multiple stock exchanges."

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ANNEXURE

TABLE 1: GENDER CLASSIFICATION OF THE RESPONDENTS

Gender	No. of Results		
	Ahmedabad	Khambhat	Total
Male	75	89	164
Female	25	11	36
Total	100	100	200

TABLE 2: AGE OF THE RESPONDENTS

Age	No. of Results		
	Ahmedabad	Khambhat	Total
Between 18 to 25	20	17	37
Between 26 to 40	23	39	62
Between 41 to 55	32	29	61
Above 55	25	15	40
Total	100	100	200

TABLE 3: EDUCATIONAL QUALIFICATION OF RESPONDENTS

Educational Qualification	No. of Results		
	Ahmedabad	Khambhat	Total
Under Graduate	16	23	39
Graduate	57	54	111
Post Graduate	20	20	40
Professional Degree Holder	07	03	10
Total	100	100	200

TABLE 4: OCCUPATION OF RESPONDENTS

Occupation	No. of Results		
	Ahmedabad	Khambhat	Total
Salaried	30	48	78
Business	24	28	52
Housewife	09	03	12
Student	12	08	20

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Professional	08	08	16
Retired	17	05	22
Total	100	100	200

TABLE 5: INVESTMENT EXPERIENCE OF THE INVESTORS

Investment experience	No. of Results		
	Ahmedabad	Khambhat	Total
Beginner	22	13	35
Moderate	18	24	42
Knowledgeable	32	36	68
Experience	28	27	55
Total	100	100	200

TABLE 6: PURPOSE FOR INVESTMENT

Purpose	No. of Results		
	Ahmedabad	Khambhat	Total
Savings	53	55	108
Child Education	17	07	24
Tax planning	16	19	35
Regular income	21	22	43
Future expenses	28	19	47
For Retirement	18	15	33
Total	153	137	290

TABLE 7: PATTERN OF INVESTMENT

Alternatives	No. of Results		
	Ahmedabad	Khambhat	Total
Bank deposits	50	44	94
Post Office savings	32	20	52
Mutual Funds	20	18	38
Stock Market	100	100	200
Insurance	27	39	66
ULIP	4	9	13
Commodity	1	5	6
Real Estate	11	10	21
Total	245	245	490

TABLE 8: REASONS FOR LOSSES IN EQUITY INVESTMENT

Source	No. of Results		
	Ahmedabad	Khambhat	Total
Broking House	27	24	51
Own study	27	52	79
Websites	11	09	20
News Network	37	27	64
Friends, Relatives advice	34	31	65
Total	136	143	279

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ANALYSIS OF KHAMBHAT CITY				
Factors	1 No Influence	2 Some Influence	3 Strong Influence	Total
Expected Global Economy performance	31	72	99	202
FII Movement in Stock Market	34	80	75	189
Current Economic Indicators like GDP, money supply, interest rates etc.	31	74	96	201
Expected domestic Economy performance	28	84	90	202
Coverage in Electronic (Internet) Media	36	66	93	195
Coverage in Print media	39	94	42	175
Reputation of Firm	19	68	141	228
Expected Results of the company (Cash dividend, Bonus Share, Buyback of Shares)	25	56	141	222
Financial performance of Company	19	56	156	231
Company's share in Industry	41	72	69	182
Details of Products and Services	40	50	105	195
International Operations of the Company	41	80	57	178
Institutional Holdings in the company	29	76	99	204
Promoters' holding in the company	30	64	114	208
Recent Price Movements of Firm's Stock	21	56	153	230
Long Term Performance of Stock	17	70	144	231
Past Performance of the Stock Portfolio	27	80	99	206
Company's' Ratio analysis	52	64	48	164
CSR of the company	50	76	36	162
Affordability of Share Price	29	58	126	213
Sentiment for the stock market	20	70	135	225
Brokerage House Recommendation	45	64	69	178
Recommendation by Friend & Family	40	56	96	192
Traded in multiple stock exchange	49	70	48	167
Tax advantage of the investment	43	38	114	195
Total	**836**	**1694**	**2445**	**4975**

ANALYSIS OF AHMEDABAD CITY				
Factors	1 No Influence	2 Some Influence	3 Strong Influence	Total
Expected Global Economy performance	24	58	141	223
FII Movement in Stock Market	12	56	180	248
Current Economic Indicators like GDP, money supply, interest rates etc.	19	86	114	219
Expected domestic Economy performance	28	84	90	202
Coverage in Electronic (Internet) Media	35	94	54	183
Coverage in Print media	43	86	42	171
Reputation of Firm	24	60	138	222
Expected Results of the company (Cash dividend, Bonus Share, Buyback of Shares)	16	74	141	231
Financial performance of Company	11	58	180	249
Company's share in Industry	31	70	102	203
Details of Products and Services	34	76	84	194
International Operations of the Company	37	80	69	186
Institutional Holdings in the company	37	86	60	183
Promoters' holding in the company	41	64	81	186
Recent Price Movements of Firm's Stock	23	98	84	205
Long Term Performance of Stock	23	42	168	233
Past Performance of the Stock Portfolio	28	80	96	204
Company's' Ratio analysis	44	66	69	179
CSR of the company	51	52	69	172
Affordability of Share Price	24	62	135	221
Sentiment for the stock market	16	60	162	238

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Brokerage House Recommendation	38	76	72	186
Recommendation by Friend & Family	36	74	81	191
Traded in multiple stock exchange	60	50	45	155
Tax advantage of the investment	41	60	87	188
Total	**776**	**1752**	**2544**	**5072**

CELEBRITY ENDORSEMENT: A STUDY OF INDIAN FMCG SECTOR

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ABSTRACT

Today 'Celebrity Endorsement' has attracted immense debate on whether it really contributes to the brand building process or whether it is just another lazy tool to make the brand more visible in the minds of the consumers. Although it has been observed that the presence of a well-known personality helps in solving the problem of over-communication that is becoming more prominent these days, there are few undesirable impacts of this practice on the brand. The theories like 'Source Credibility Theory, Source Attractiveness Theory and Meaning Transfer Theory' provide a basis on which the methodology of celebrity endorsement works and also explains how the process of the celebrity endorsement influences the minds of the consumers. The basic objective of this study is to analyse the impact of celebrity endorsement on Fast moving consumer goods, both a quantitative and qualitative approach were utilized. Quantitative research examines numerical relations between two or more measurable qualities. Such an approach is usually associated with large-scale studies and is related to the objectivity of the researcher. Qualitative research on the other hand relies on transforming the observed phenomena to written words instead of numbers. A combination of a holistic perspective and specific perspective is ideal in this study in order to measure the respondents purchasing behaviour and understanding their attitudes.

KEYWORDS
Attitude, behaviour, brand, celebrity, credibility, endorsement FMCG and perception.

INTRODUCTION

Businesses have long sought to distract and attract the attention of potential customers that live in a world of ever-increasing commercial bombardment. Everyday consumers are exposed to thousands of voices and images in magazines, newspapers, and on billboards, websites, radio and television. Every brand attempts to steal at least a fraction of an unsuspecting person's time to inform him or her of the amazing and different attributes of the product at hand. Because of the constant media saturation that most people experience daily, they eventually become numb to the standard marketing techniques. The challenge of the marketer is to find a hook that will hold the subject's attention. Firms invest huge amounts as advertising expenditure for hiring the right celebrity. However there lies uncertainty with respect to the returns that the company might be able to garner for the brand. The issue of matching the values of the celebrity with the brand values is also very important, i.e. getting the right celebrity to endorse the right brand. Consumers perceive the brand as having superior quality because it has been endorsed by a credible source. This makes endorsement as one of the indictors of quality for any brand. Corporate credibility along with endorser credibility plays a significant role in the attitude of the consumer towards the brand and the advertisement respectively. On the other hand, the over popularity of the celebrity sometimes overshadows the brand. If the celebrity is involved in multiple endorsements, it tends to create confusion among consumers and hence negatively affects the perception of the advertisement and the brand. Hence, to say clearly whether the practice of celebrity endorsement impacts positively or negatively to the brand still remains a debate. The society that we live in can not only be called secular or democratic, it should be more appropriately termed as over-communicated these days. A typical super-market in USA displays more than 12000 brands, an American family has at least one television set and a consumer is exposed to around 1000 ads per day1. Likewise, there are around 130 television channels in India broadcasting over 3 million television commercials each year in India. The media-explosion can thus be easily demonstrated. More over, people forget 80% of the information in just 24 hours! Just imagine the plight of the marketer to make his brand shout over the deafening clutter of all the brands! Some where in the 80's, Indian marketers found the solution, 'Celebrity Endorsement' for the brand! .Firms endorse celebrity for a variety of reasons. It might be the life experience of the celebrity that fits the advertising message or the endorser's high appeal with the firm's consumer target group. Studies associated with the market effect of celebrity endorsement suggest that consumers positively value the use of celebrity endorsers in the advertisements. Firms invest significant money in putting together brands and organisations with endorser qualities such as attractiveness, likeability, and trustworthiness. But today's dynamic market conditions make these investments unviable. In this paper we are attempting to discuss the positive and negative effects of celebrity endorsement with few examples.

HYPOTHESIS DEVELOPMENT

Consider two new products that are of unknown quality to consumers: light bulbs and cleaning solution. Since these are experience goods, consumers cannot perfectly determine quality upon inspection. However there are attributes of the product which consumers will seek to use in order to judge overall quality.

H(1): Endorsers are used to increase the credibility and relevance of indirect information.

One function of advertising is to provide information to the consumers. This information can be direct in nature or indirect information that consumers infer from the ad. These inferences should depend upon how the indirect information is given and who is used in the ad. This hypothesis will be tested by asking the respondent to evaluate both the creditability and relevance of indirect information about product attributes. The results of the evaluation will then be compared in order to show differences based on the use of an endorser in the ad. Because consumers already have an overall impression about the endorser prior to seeing the ad, the credibility and relevance of positive indirect information should be increased due to the fact that information is delivered by the endorser who is associated with certain characteristics that may project relative quality onto the product. Consequently, consumers tend to rate the performance of the product's attributes higher than if they viewed an ad without the endorser. This leads to the third hypothesis, H(2) as follows:

H(2): A properly matched endorser is expected to signal higher perceived product quality.

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Since advertising could be informative by providing direct information and persuasive by providing indirect information which serves to positively influence the consumer. Thomas et. al (1998) notes that persuasive advertising provides indirect information about the quality of unobservable product attributes, which are common with experience goods.

H(3): An endorser whose attributes do not match the attributes of the product is expected to have a less effect on consumers' quality perception than a properly matched endorser.

Through pre-testing endorsers known for specific attributes can be determined. Thus an endorser can be identified according to who possesses the same attributes that consumers look for in order to judge the quality and performance of the two products to be tested. Also an endorser can be found who possesses attributes that do not match those relating to the product.

This hypothesis will be tested to determine the difference in the consumer's perception of quality based on the endorser used in the ad. It is believed that the matched endorser will improve the quality perception much more than the mismatched endorser.

RESEARCH METHODOLOGY

RESEARCH APPROACH

As the objective of this study is to analyse the impact of celebrity endorsement on Fast moving consumer goods, both a quantitative and qualitative approach were utilized. A quantitative research was utilized to measure particular phenomena so they can then be transformed to numbers. Quantitative research examines numerical relations between two or more measurable qualities. Such an approach is usually associated with large-scale studies and is related to the objectivity of the researcher. Qualitative research on the other hand relies on transforming the observed phenomena to written words instead of numbers. A combination of a holistic perspective and specific perspective is ideal in this study in order to measure the respondents purchasing behaviour and understanding their attitudes. Results attained through the use of the two approaches give a more comprehensive coverage of a research problem. Case study is excluded considering the fact that a case study focuses on individual instances rather than wider spectrums.

CLASSIFICATION OF DATA USED

Primary Data: Questionnaires are designed to collect information that is used subsequently as data for analysis. The questionnaire in use consists of a number of relevant questions about the respondent's attitudes and consumer behaviour. The questionnaire is semi-structured, has a combination of closed and open questions. The arrangement of the questionnaire consists of three parts. A sample of 300 was chosen and information was collected through means of convenience. The survey was aimed at male and female under the age of 50 in Delhi and NCR. It was therefore performed at schools, universities and outside shops that are popular amongst the targeted group. The face-to face method was used to achieve a higher rate of response. Interviews with focus groups are ideally set on a group of six to nine participants that are guided by a moderator. The aim of constructing a focus group is to portrait the thoughts and views of the participants in a given matter. It is a cost-efficient and quick mode to acquire detailed data from the participants. The main purpose of focus group research is to draw upon respondents' attitudes, feelings, beliefs, experiences and reactions in a way in which would not be feasible when using other methods, for example observation, one-to-one interviewing, or questionnaire surveys. Compared to individual interviews, which aim to obtain individual attitudes, beliefs and feelings, focus groups elicit a multiplicity of views and emotional processes within a group context. A focus group with eight participants was formed on the basis of age and sex. The theme of the discussion was- "Celebrity endorsement and FMCG sales". Both genders of same number participated the discussion.

Secondary Data: A large proportion of the data used in this study is classified as secondary data because of the wide availability and applicability of it. To a great extent, information was gathered from research journals, books, the internet and articles. With regards to the growth of the internet usage a lot of the data collected was extensively available in electronic format. Secondary data study has been conducted before collecting primary data so as to get a glimpse of the overall industry.

RESEARCH DESIGN

Exploratory research design was used to provide understanding / insights of the subject.

DATA GATHERING AND ESTIMATION TECHNIQUES

This chapter discusses the methodology that will be used to collect data. The experimental data will then be used to develop the hypotheses. However, before data is collected, some pre-testing must be done in order to determine the appropriate products, celebrity endorsers and attributes.

Pre–tests: There will be two pre-tests done in order to determine (1) the celebrities to be used and the attributes identified with each celebrity, and (2) the products to be used for which the selected attributes are deemed important.

Pre-test 1 on celebrity and attribute determination: Two steps are involved in the first pre-test. First, two focus groups are to select celebrities that are familiar to them. Secondly, questionnaires will be used to determine the attributes that are associated with these celebrities and to rate the overall impression of each celebrity. It is important that the celebrities are viewed favourably by the respondents. Specifically, in the first step of the pre-test, a focus group of 12 subjects were used. A focus group is the most widely used form of qualitative questioning in market research. This involves assembling a group of 10 to 15 people in an informal setting. A set of open-ended questions are given to the focus group in order to get group interaction in a brain-storming session. Many researchers use the focus group interview to provide preliminary information in order to prepare for quantitative research. The subjects in the current focus groups were undergraduate students at two large eastern universities. They were asked to identify celebrities that were well known to them. From the two focus groups a list of seventeen celebrity endorsers was compiled. Celebrities cited most often include: Shah Rukh Khan, Amitabh Bachchan, Sachin Tendulkar, Mahendra Singh Dhoni, Yuvraj Singh, Rahul Dravid, Hrithik Roshan, Abhishek Bachchan, Aamir Khan, Aishwarya Rai.

A questionnaire was then prepared and distributed to 300 subjects at Delhi and NCR . These subjects were asked to list four or five attributes which are characteristics of the nine celebrities that were selected from the original focus group. In addition, the celebrities must be likable and viewed favourably and positively by the subjects. The subjects were asked to rate each celebrity on a nine point semantic scale for categories such as strongly dislike versus strongly like, unfavourable versus favourable and negative versus positive. The attribute/celebrity pairs were selected based on a criterion that a broad base of consumers can relate to them. This meant that the celebrity had to be viewed favourably and that the celebrity had to be associated with an attribute that would easily match an attribute for a product. According to this criterion, two celebrities were chosen despite their lower ratings than others. Hrithik Roshan had a positive image and had the attribute of strength/power as most often mentioned, while Aamir Khan who also had a positive image was associated with the attribute of long lasting and consistancy. While other celebrities may also have had a favourable image and even had an attribute strongly associated with them, those attributes are difficult to match with products. For instance, Aishwarya Rai was viewed favourably and exhibited the attribute of attractiveness. While there are many products available to consumers that are made to enhance the attractiveness of the user, the product is not necessarily perceived to be attractive universally to consumers as a whole. Therefore, the fit was not consistent among broad-based consumers as a whole and they too were eliminated.

Pre-test 2 on product pool selection: Two steps are also involved in the second pre-test. First, two focus groups were to identify the products that have the designated attribute. Secondly, questionnaires were used to rate the importance of each attribute. Specifically, in the first step, two focus groups of 15 subjects were again used. The groups were asked to identify products that had the attributes of strong and eneregetic (the attributes matched with Hrithik Roshan) or long lasting and consistency (the attribute matched with Aamir Khan) associated with them. A list of 12 experience goods was thus compiled from the focus groups. These products included: Crazy glue, glassware, Acne medication, Light bulbs, toiletries, Batteries, Pain killers, Cologne, Insecticide, Contact lenses, Cleaning solutions, shaving products, toiletries, soap, cosmetics, teeth cleaning products, shaving products, detergents, glassware, light bulbs and batteries

As a second step, a total of 60 subjects were selected and given another questionnaire. They were asked to list two or three attributes that are associated with each of the twelve products. They then were asked to rate, on a nine point semantic scale, the importance of the attribute to the product. There were four numbers to be determined by the subject; a rating for unimportant versus extremely important for the four attributes: strong, powerful, long lasting and enduring. In order to find subtle differences and to re-enforce the validity of the response two attributes are used for each characteristic.

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Final results of two pre -tests: The final selection of the products that match the two pairs of attributes (strong/powerful and long lasting/enduring) is based on the criterion that the rating has to be only one-sided in order to avoid any confounding. Specifically, the rating has to be in favour of either strong/powerful or long lasting/enduring but not both. This is done to ensure that the impact of the celebrity endorsement can be correctly measured in the test of the hypotheses. From the pre-tests the best match-ups were determined using the celebrities that were viewed most favourably. Hrithik Roshan known for the attributes of strong/powerful matches up with cleaning solutions. Aamir Khan for having the attribute of enduring and consistancy matched up with light bulbs.

LIMITATIONS

Since the research was based only on the Delhi and NCR, the same results may not be generalized over the whole market of FMCG. The customers in other states are a major population that contributes to a large portion of FMCG sales. As the topic is very vast and so does its constraints that make the report tough one to cover all area.

HYPOTHESIS TESTING

Hypothesis 1- endorser effect on quality perception

It is hypothesized that the quality perception will increase significantly when the information in the ad is presented with the use of a properly matched celebrity endorser. Rated on a scale of one to nine, the mean Quality Perception of light bulb's ad without the use of an endorser was 6.13, while the mean with Aamir in the ad was 6.8. This difference was significant with p =.011.

Similarly the quality perception for cleaning solution was 6.09 without an endorser in the ad and 6.51 with Hrithik. This difference was significant with P = .065. The data supports the hypothesis. The use of a properly matched endorser will significantly increase the consumer's perception of product quality. The results also indicate that the difference becomes more significant if the endorser is viewed more positively and is viewed as being more appropriate. Also, even though the information in the ad was not viewed as being more credible or relevant when Hrithik was used in the cleaning solution ad, the subjects still rated the quality perception higher with the endorser.

Hypothesis 2 - credibility and relevance of information

To test this hypothesis, the subjects were asked to rate the credibility and relevance of the information received from the ad on a nine point scale. The means were calculated and then a single factor ANOVA was used to test for significant differences. In the table the summary results are presented.

TABLE: CREDIBILITY AND RELEVANCE MEASURES

Variable	Cleaning solution		Light bulbs	
	With Hrithik	without endorser	With Aamir	with no endorser
Credibility	5.45	5.10 (<.078)	5.89	5.07 (<.010)
Relevance	5.25	6.37 (<.01)	6.36	5.61 <.01)

(*Note: P values in parentheses.*)

For the pairing of Aamir Khan and the light bulbs, the subjects viewed the information in the ad to be significantly more credible (5.89 v. 5.07, P<.01) and significantly more relevant (6.36 v. 5.61, P<.01). This information supports the hypothesis.

The results were different for the Hrithik Roshan and the cleaning solution pairing. There was only a marginally significant difference in the credibility of the information with the endorser (5.45 v. 5.10, P=.078). The relevance of the information was actually less with the endorser than without. The explanation is probably that Hrithik Roshan is not viewed as favorably as Aamir Khan so the impact on the credibility and relevance is not significantly positive. Since the Khan/ light bulb results were so strong, it is believed that the endorser chosen for the cleaning solution is not really a good match- up. Also, although the subjects from the pre-test were drawn from the same general population as the subjects used in the latter test, some variation regarding the impression and attitude toward Hrithik Roshan appears to exist. Apparently, he was not as well known, nor viewed as favorably by the subjects in the later study.

Hypothesis 3 - the effect of the mismatched endorser

This hypothesis stated that a properly matched endorser will have a greater impact on the consumer's perception of quality than an endorser who does not match-up well with the product. To test this hypothesis, subjects were asked to rate their perception of quality for cleaning solution using the mismatched Aamir as the endorser. Other subjects were asked to rate their perception of quality for light bulbs using the mismatched Hrithik as endorser.

TABLE: QUALITY PERCEPTION RATING WITH MISMATCHED ENDORSERS

Products	Endorser	Quality rating
Light Bulbs	Hrithik	5.7
Light Bulbs	Aamir	6.8 (p<.01)
Cleaning solution	Hrithik	6.5
Cleaning solution	Aamir	6.2 (p=.16)

For light bulb, the difference between the quality perception rating between the two endorsers was very significant (p<.01). For cleaning solution, the difference was not significant (p=.16). This was probably due to Aamir being rated as more favourable and positive than Hrithik so that even when he was mismatched with the product, the difference became less significant. If there is a good match between the endorser and the product, the hypothesis will be supported. By properly matching the attributes of the endorser with the attributes of the product, consumers will perceive the product quality to be higher than with a mismatched endorser.

CONCLUSIONS AND RECOMMENDATIONS

It appears that the selection of an endorser who is viewed positively by consumers and who is known to possess attributes which match up with the attributes of the product, is critical in order for the indirect information to significantly impact the consumer's perception. Mismatched endorsers or endorsers who are not viewed positively will have a much smaller impact on consumers. On the other hand, an endorser who may not match up perfectly with the product, but who is viewed positively may still have an effect on the consumer, although the effect will probably be smaller than with a properly matched endorser. Well liked endorsers can have positive effects on consumer perceptions even if they do not match up well with the product. Having a celebrity endorse your brand can be helpful for a well-known brand in need of maintaining attention for its brand and category. Celebrities are most helpful because they can star in advertising campaigns and participate in company events. Consumers might be more apt to watch your ad if it has a celebrity. Employees might feel proud of having the celebrity endorsing their company. Customers might be more apt to participate in events when a celebrity involved. Using a celebrity is not a replacement for brand PR. Too many companies use a celebrity in an attempt to establish credibility with consumers. But the only thing that builds a brand in the mind of the consumer is PR and word-of-mouth generated by an idea. The PR attention generated by a celebrity does not build your brand. People might talk about the celebrity but that rarely translates into much for the brand. The bottom line is that the only thing that makes a brand successful owns a word in the mind. Paying Tiger Woods millions of dollars is no replacement for that. If the celebrity used represents value that conflict with the brand values and positioning, the advertising will create conflicts in the minds of the target audience who may reject the proposition, so it's very important that there should be better connectivity between the brand and celebrity. There has been such a deluge of celebrity endorsement that it has led to the very clutter that it aims to break. Over expose is great for celebrity but it is draft for the brand because the impact of the celebrity reduces as the number of brands he endorses increases. So it's

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very important that there should be less number of exposures of celebrity in different brands. You cannot sell an ordinary product just by making a celebrity endorse it. The product will fail faster because the presence of the celebrity will create a buzz and more people expect the product of high quality. So the quality and performance of the product should also be excellent for attracting the customers. The use of celebrity can be confusing sometimes. Other are so spell bound that the personality of the celebrity that they completely fail to notice the brand being advertised. So the product should be the main focus of the advertisement rather then celebrity which should be one of the parts to push a product. Unless accompanied by a powerful idea there is a very marginal chance for a celebrity to make a product sell by just appearing in the advertisement. So a push by powerful and invasive is must. Common ideas don't give you high returns it's very important that there should be something exclusiveness in the advertisement which gives the ad an edge on other advertisements. Celebrity endorsements only work when the consumer has a credible belief that the celebrity would be interested in buying and using your product or service despite being paid to do so. If not, your money is wasted on the endorsement. You can have any actor deliver your sales pitch. The celebrity might even be a distraction from your message. Celebrity endorsements work best when you can line up a celebrity with as much exclusivity as possible. Athletes in their prime usually have endorsements with so many different brands that each has limited influence. Celebrity endorsements work best when the celebrity is believable. Seems obvious, but many celebrities have the reputation for saying anything for a buck. This is compounded by having multiple contracts that are short-term and change frequently. Celebrity endorsements work best if the celebrity is not too famous. Celebrities that are too famous and too much in the public eye are not as effective. They tend to overshadow the brands in the advertising. And consumers are fatigued of seeing the celebrities' face all over the place. Celebrity endorsements work best if you think long-term. Having a new celebrity every few years doesn't make sense. Consistency is important. Some brands associated with youth and fashion will have a higher turnover rate. But most brands should think about a partnership of five years or more.

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STOCK MARKET BEHAVIOUR: EVIDENCE FROM ASIAN STOCK MARKETS

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ABSTRACT

The present study has been undertaken to examine the stock return behavior of selected Asian stock markets. The study is based on daily data for stock indices of the Hong-Kong, Japan, India, Singapore and Taiwan for the period of 2nd January 2001 to 30th June 2011. The stock return behavior of selected Asian stock markets has been examined using Jarque-Bera, Run test, Kolmogorov-Smirnov (K-S) test and GARCH model. The analysis of the share price behavior indicated that all test used in present study reject the hypothesis of random walk for all selected Asian stock markets except the Run test which supports the hypothesis of random walk for Hong- Kong and Taiwan. The results seem to go against the recent efforts towards improving the functioning and transparency of the stock markets. The reform process and opening up of Stock Markets as a result of liberalization measures taken by Governments in the past decade have not been able to bring more discipline in these stock markets. It seems that certain anomalies still exist in these stock markets which may be making these stock markets inefficient. It provides market players the opportunity to predict future prices and bring the possibility of earning higher than expected returns and investors can earn excess profits using past stock prices as their source of information.

KEYWORDS
Stock Market efficiency, Friday Effect, Efficient Market Hypothesis, share price behavior

INTRODUCTION

In finance, the efficient market hypothesis indicates that one cannot consistently achieve returns in excess of average market returns on a risk-adjusted basis, given the information publicly available at the time the investment is made. There are three major versions of the hypothesis: "weak", "semi-strong", and "strong". Weak form efficient market hypothesis claims that prices on traded assets already reflect all past publicly available information. Semi-strong efficient market hypothesis claims both that prices reflect all publicly available information and that prices instantly change to reflect new public information. Strong efficient market hypothesis additionally claims that prices instantly reflect even hidden or "insider" information. The weak form of efficient Market hypothesis (EMH) (Which is used synonymously with random walk theory) holds that prices have no memory and yesterday has nothing to do with tomorrow. It states that stock prices reflect all available information so that prices are near their intrinsic values. In an efficient market information is freely available. The price of a share approximates to its intrinsic value. Market efficiency has an influence on the investment of an investor because, if the market is efficient, past information will provide no information about the future prices and trying to pick up winners will be a waste of time. Given their risk in an efficient market, there will be no under valued stock offering higher than expected returns. On the other hand, if markets are not efficient games can be played in stock markets and excess returns can be made by correctly picking the winners.

This aspect of market efficiency has, however, become more interesting when the analysis is carried out in the context of International stock markets in the era when Globalization has brought financial integration among the nations. The gradual lifting of restrictions on capital flows and relaxation of exchange control in many countries have accelerated integration among the world's capital. However, in the present situation global markets have tended to become more integrated as a result of common practice towards liberalization and deregulation in the capital markets of both developed as well as emerging countries. These basic changes lead to increase the correlations among the stock prices of various national markets all over the world that would ensure the reduction in the potential benefits from international portfolios diversification. Thus, the present study is being contemplated with the objective of examining random walk hypothesis for some Asian stock markets.

The paper is organized as follows: Section I is related to introduction. Section II provides a brief review of literature. Section III explains research methodology used in study. Section IV presents empirical results. Finally, concluding remarks are given in Section V.

REVIEW OF LITERATURE
Weak form efficiency has been tested by many researchers in many stock exchanges of the world. The early studies on testing weak form efficiency started in the developed market. Empirical evidence on the weak form efficiency indicates mixed results.

Sharma and Kennedy (1977) conducted a comparative study of stock price behaviour on the Bombay, London, and New York stock exchanges. The results of the their study shown that stocks on the Bombay Stock Exchange follow a random walk and is equivalent in this sense to the behaviour of stock prices in the markets of advanced countries. Sunil Poshakwale (1996) in their study provided evidence of day of the week effect and supports the viewpoint that stock market is not weak form efficient. Alam et al. (1999) in their study tested the random walk hypothesis for Bangladesh, Hong Kong, Sri Lanka and Taiwan. They found that all the stock indices except the Sri Lankan stock index follow a random walk

Grieb and Reyes (1999) employed variance ratio test on weekly stock returns to reexamine the Brazilian and Mexican stock markets. Their findings indicated nonrandom behavior in the Mexican market while the Brazilian market indicated evidence in favor of the random walk. Magnusson and Wydick (2000) tested the random walk hypothesis for a group of African countries and found that there is greater support for the African stock markets than for other emerging stock markets.

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Nath and Dalvi (2005) examined the day of the week effect anomaly during 1999 to 2003 for Nifty. They found that market inefficiency exists. According to Dhankar and Chankraborty (2005) variance ratio test suggests dependency of the Sensex series, which violates the assumption of the random walk hypothesis. Using the ARIMA process they have developed a model for forecasting future returns to the Sensex.

Chawla, Mohanty and Bhardwaj (2006) made an attempt to test for the random walk hypothesis among the Indian market vis-à-vis the developed economies such as the US, UK, Australia and Canada. The results of study suggested the existence of random walk hypothesis in these markets. Anokhi Parikh (2008) attempted to test for the month-of-the- year effect in India using monthly returns of the Nifty index for the period 1999-2008. The results of the study revealed that December is a month of truly anomalous returns in the Indian stock market. Bepari and Mollik (2009) in their study investigated the existence of seasonality in return series of Dhaka Stock Exchange (DSE) of Bangladesh. The study uses the monthly return data of the DSE all share price index (DSE All Index) for the period from 1993 to 2006 for the analysis. The results confirmed the existence of seasonality in stock returns.

K. Mittal and Sonal Jain (2009) examined three types of anomalies namely Monday Effect, Friday effect and day of the week effect. The findings of the study brought out that none of the above anomalies exist in the Indian stock market. Further, results of serial correlation and runs tests also supported the Random Walk Theory and market efficiency hypothesis. Srinivasan (2010) attempted to examine the random walk hypothesis by using Augmented Dicky-Fuller test and the Phillips-Perron test. The results of the study revealed that Indian Stock Market did not show characteristics of random walk.

Sanjeet Sharma (2011) examined whether day of week effect exist in Indian Stock Market or not, and to analyses whether anomalies exist in India the data has been taken for the period form January 2008 to December 2009 for two indices: Sensex and Nifty. The results of this study showed that the day of the week effect did not exist in the Indian Stock Market and this market can be considered as informationally efficient. Monday Effect and Friday Effect were also found insignificant while comparing Friday and Monday returns with other days mean returns. The present study attempts to contribute to the existing literature on the market efficiency by examining the selected Asian equity markets.

METHODOLOGY

The present study is based on the secondary data related to daily closing figures of various stock indices of various Asian stock markets over the period from 2nd January 2001 to 30th June 2011. The various stock markets considered in this study include four emerging economies (India, Taiwan, Hong Kong and Singapore) and one developed market (Japan). While the sample countries (Taiwan, Hong Kong and Singapore) have been selected randomly from the list of Asian countries considered for the construction of MSCI index of emerging markets, Japan, being a developed market, has been selected deliberately so as to make the analysis more fruitful. Table 1 shows country –wise indices considered for present study. The data is taken from Yahoo Finance. The returns using the closing prices of these indices are computed using the first differences of natural logs of prices.

TABLE 1: STOCK EXCHANGE AND STOCK INDICES UNDER STUDY

S. No.	Country	Index	Symbol
1	India	BSE 30	BSE
2	Japan	Nikkei 225	nikkei
3	Hong-Kong	Hang-Sang	HS
4	Singapore	Straits Times	ST
5	Taiwan	Taiwan Weighted	TAIWAN

Several tests for establishing statistical independence in a stock price time series are available. The following tests, namely Jarque-Bera, Run test, Kolmogorov-Smirnov (K-S) test and GARCH model are used.

JARQUE–BERA TEST

In statistics, the Jarque–Bera test is a goodness-of-fit measure of departure from normality, based on the sample kurtosis and skewness. The test is named after Carlos Jarque and Anil K. Bera. The test statistic JB is defined as:

$$JB = \frac{n}{6}\left(S^2 + \frac{1}{4}K^2\right)$$

where n is the number of observations (or degrees of freedom in general); S is the sample skewness, and K is the sample kurtosis:

$$S = \frac{\hat{\mu}_3}{\hat{\sigma}^3} = \frac{\frac{1}{n}\sum_{i=1}^{n}(x_i - \bar{x})^3}{\left(\frac{1}{n}\sum_{i=1}^{n}(x_i - \bar{x})^2\right)^{3/2}}$$

$$K = \frac{\hat{\mu}_4}{\hat{\sigma}^4} - 3 = \frac{\frac{1}{n}\sum_{i=1}^{n}(x_i - \bar{x})^4}{\left(\frac{1}{n}\sum_{i=1}^{n}(x_i - \bar{x})^2\right)^2} - 3,$$

where $\hat{\mu}_3$ and $\hat{\mu}_4$ are the estimates of third and fourth central moments, respectively, $\bar{x}$ is the sample mean, and $\hat{\sigma}^2$ is the estimate of the second central moment, the variance.

GARCH MODEL

Uncertainty is measured by looking at volatility in individual series. The volatility of individual series is tested by applying GARCH model (Generalized ARCH), introduced by Bollerslev (1986). In the standard GARCH (1,1) specification

$\hat{u}_{xt} = \delta + \beta\hat{u}^2_{xt-1} + \gamma\,\sigma^2_{t-1} + \varepsilon_t$

Where residual series are generated by regressing x_t and y_t on constant, σ^2 is the one period ahead forecast variance based on past information called the conditional variance. The coefficient β is defined as ARCH (1) and γ as GARCH (1). If both the coefficients are individually significant and their sum is close to one then the series is said to be volatile.

NON-PARAMETRIC TESTS

RUN TEST: Test is to detect statistical dependencies (randomness) which may not be detected by the autocorrects test. The null hypothesis is that the observed series use random variable. The number of runs is computed as a sequence of the price changes of the same sign (such as; + +,--, 00). When the expected number of runs is significantly different from the observed number of runs, the test rejects the null hypothesis. A lower than expected number of runs indicates the market's over-reaction to information, subsequently reversed, while higher numbers of runs reflect a lagged response to information. Either situation would suggest an opportunity to make excess returns.

Under the null hypothesis that successive outcomes are independent, and assuming that $N_1 > 10$ and $N_2 > 10$. The number of runs is asymptotically normally distributed with

$2N_1N_2$

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Mean: $E(R) = \dfrac{+1}{N}$

Variance: $= \dfrac{2N_1N_2\,(2N_1N_2-N)}{(N)^2\,(N-1)}$

Where N = total number of observations

N1   = number of '+' symbols

N2   = number of '−'symbols

R2   = number of runs

The run test converts the total number of runs into a Z statistic. For large samples the Z statistic gives the probability of difference between the actual and expected number of runs. If the Z value is greater than or equal to $+\_\ 1.96$, the null hypothesis is rejected at 5 percent level of significance.

KOLMOGOROV-SMIRNOV (K-S) TEST

The K-S test was originally proposed in the 1930s [Kanji 1999]. K-S is one of the best known and most widely used goodness-of-fit tests. It is based on the empirical distribution function and converges uniformly to the population cumulative distribution function with probability measure one. The one sample K-S test procedure compares the observed cumulative distribution function for a variable with a specified the theoretical distribution which may be normal, uniform, Poisson or exponential. The K-S Z is computed form the largest difference (in absolute value) between the observed and theoretical cumulative distribution functions. This goodness-of-fit test checks whether the observations could reasonable have come form the specified distribution.

EMPIRICAL ANALYSIS

The empirical results are presented as below.

DESCRIPTIVE STATISTICS AND TEST FOR NORMALITY

To test the distribution of series the descriptive statistics for the return series of all the five Asian stock markets has been presented in Table 2. It is seen that the frequency distributions of Hong-Kong, Japan, India, Singapore and Taiwan are not normal for the period of study. The skewness coefficient, in excess of unity is taken to be fairly extreme. High or low kurtosis value indicates extreme leptokurtic or extreme platykurtic. Generally values for zero skewness and kurtosis at 3 represents that the observed distribution is normally distributed. Table 2 makes it clear that Hong-Kong, Japan, India, Singapore and Taiwan stock market return series distribution are not normal. Further, Jarque-Bera test also rejects the null hypothesis of normal distribution for all the series and clearly indicate that all return series under study significantly deviate from normality.

TABLE 2: DESCRIPTIVE STATISTICS

	Hong-Kong	Japan	India	Singapore	Taiwan
Mean	0.000188	-0.000129	0.000590	0.000182	0.000236
Median	0.000400	0.000300	0.001200	0.000450	0.000550
Maximum	0.134100	0.132300	0.159900	0.075300	0.065200
Minimum	-0.135800	-0.121100	-0.118100	-0.092200	-0.069100
Std. Dev.	0.016146	0.016318	0.016723	0.012774	0.014857
Skewness	0.023808	-0.396105	-0.124653	-0.326172	-0.169806
Kurtosis	11.89227	9.809124	10.09401	8.799341	5.098846
Mean	0.000188	-0.000129	0.000590	0.000182	0.000236
Jarque-Bera	8474.173*	5035.951*	5399.815*	3649.872*	484.4462*
Probability	0.000000	0.000000	0.000000	0.000000	0.000000

* Significant at 1 percent level of significance

** Significant at 5 percent level of significance

*** Significant at 10 percent level of significance

RUN TEST: The results of the run test are presented in Table 3. It is evident from the table that the Z-statistics, which haven been computed to test the significance of the difference between the number of actual runs and the expected runs, are found significant in case of India, Japan and Singapore. It makes clear that these stock markets are not efficient in weak form. Further, for the stock markets of Hong-Kong and Taiwan difference between the number of actual runs and the expected runs, has not been found significant, which shows that random walk theory persist in these stock markets.

TABLE 3: ESTIMATES OF RUN TEST

Variable	Runs	Z- test	Assy Sig(2-Tailed)
India	1215	**-3.388***	**.001**
Japan	1339	**2.051****	**.040**
Hong-Kong	1332	.861	.389
Singapore	1381	**2.104****	**.035**
Taiwan	1270	-1.021	.307

* Significant at 1 percent level of significance

** Significant at 5 percent level of significance

*** Significant at 10 percent level of significance

KOLMOGOROV-SMIRNOV TEST

The K-S Z-statistics has been used to test that the normality of frequency distribution of the underlying series. The results are presented in Table 7. Thus, the K-S test confirms that the frequency distribution of the return series of all the five Asian stock markets does not fit the normal distribution. Thus, the findings of the K-S Z-statistics makes further clear that selected Asian stock markets are not follow random walk model as basic assumption of random walk model is that return series should be normal.

TABLE 7: ESTIMATES OF KOLMOGOROV- SMIRNOV TEST

	India	Japan	Hong-Kong	Singapore	Taiwan
Absolute	.071	.064	.085	.073	.071
Positive	.066	.049	.073	.067	.053
Negative	-.071	-.064	-.085	-.073	-.071
Kolmogorov-Smirnov Z	**3.611***	**3.245***	**4.338***	**3.737***	**3.616***
Asymp. Sig. (2-tailed)	.000	.000	.000	.000	.000

Note: The null hypotheses of normal distribution of the underlying variables are rejected at 1 percent level of significance.

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GARCH RESULTS

The GARCH estimates, as shown in Table 5, are highly significant for all selected Asian stock markets understudy. It is observed from the table that the sum of ARCH (I) and GARCH (I) coefficients are close to unity. This implies that all the series are highly volatile. The highly significant values of the sum of ARCH (I) and GARCH (I) coefficients rejects the null hypothesis of a random walk of stock indices. Further, it makes clear that return series in the all the selected Asian stock markets are highly volatile and this increases the likelihood of continuously earning extra returns by forecasting the security prices. It is important to mention that the results based of GARCH model supports the earlier findings based on non-parametric tests and only the Run test supports the hypothesis of random walk for Hong- Kong and Taiwan whereas all other tests used in the study reject the hypothesis of random walk for all selected Asian stock markets understudy.

TABLE 5: GARCH ESTIMATES

Variable	Coefficients	Coefficient	Std. Error	z-Statistic	Prob.
India	ARCH(1)	0.133123	0.010181	13.07511*	0.0000
	GARCH(1)	0.845599	0.011264	75.06887*	0.0000
Japan	ARCH(1)	0.113063	0.009077	12.45549*	0.0000
	GARCH(1)	0.875769	0.010693	81.90179*	0.0000
Hong Kong	ARCH(1)	0.068075	0.006785	10.03334*	0.0000
	GARCH(1)	0.925154	0.007672	120.5892*	0.0000
Singapore	ARCH(1)	0.098080	0.007265	13.50107*	0.0000
	GARCH(1)	0.896842	0.006753	132.8162*	0.0000
Taiwan	ARCH(1)	0.064851	0.006289	10.31183*	0.0000
	GARCH(1)	0.926937	0.007041	131.6529*	0.0000

* Significant at 1 percent level of significance
** Significant at 5 percent level of significance
*** Significant at 10 percent level of significance

CONCLUSION

The present study has been undertaken to examine the stock return behavior of selected Asian stock markets. The study is based on daily data for stock indices of the Hong-Kong, Japan, India, Singapore and Taiwan for the period of 2nd January 2001 to 30th June 2011. The stock return behavior of selected Asian stock markets has been examined using Jarque-Bera, Run test, Kolmogorov-Smirnov (K-S) test and GARCH model. The analysis of the share price behavior indicated that all test used in present study reject the hypothesis of random walk for all selected Asian stock markets except the Run test which supports the hypothesis of random walk for Hong- Kong and Taiwan. The results seem to go against the recent efforts towards improving the functioning and transparency of the stock markets. The reform process and opening up of Stock Markets as a result of liberalization measures taken by Governments in the past decade have not been able to bring more discipline in these stock markets. It seems that certain anomalies still exist in these stock markets which may be making these stock markets inefficient. It provides market players the opportunity to predict future prices and bring the possibility of earning higher than expected returns and investors can earn excess profits using past stock prices as their source of information.

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FINANCIAL INCLUSION - THE QUESTION UNANSWERED

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ABSTRACT

For the total economic development of India it is important to develop rural India. Government and RBI being aware of the fact has always been keen to spread formal financing system through opening number of branches in under banked in unbanked areas. The government is also coming up with number of schemes in every five year plans, but still there are number of villages unbanked. As Reserve Bank of India data shows that as many as 139 districts suffer from massive financial exclusion, with the adult population per branch in these districts being above 20,000 and only 3 percent with borrowings from banks. This paper is to bring forward the various factors related to banks and rural population which at micro and macro level hindering the financial inclusion. This paper also proposed the recommendation to minimize the lacunas to accelerate financial inclusion.

KEYWORDS

Financial Inclusion, financial exclusion, banks, rural.

INTRODUCTION

Financial inclusion is the need of hour and dream of every country. India being country of large and diverse population, where significant segment is rural and financially excluded, requires a high level of penetration of formal financial system for financial inclusion. India has roughly 70% of the population located in almost 6,27,000 villages where even today the influence of moneylenders is high due to which 64% to 97% of the rural population is in the clutches of informal channels. Since independence Government is putting all the efforts to provide formal finance to the rural population by opening branches of co-operative banks, commercial bank, and regional rural banks in under/unbanked rural areas but maximum rural population is deprived of banking facilities which lead to *financial exclusion*.
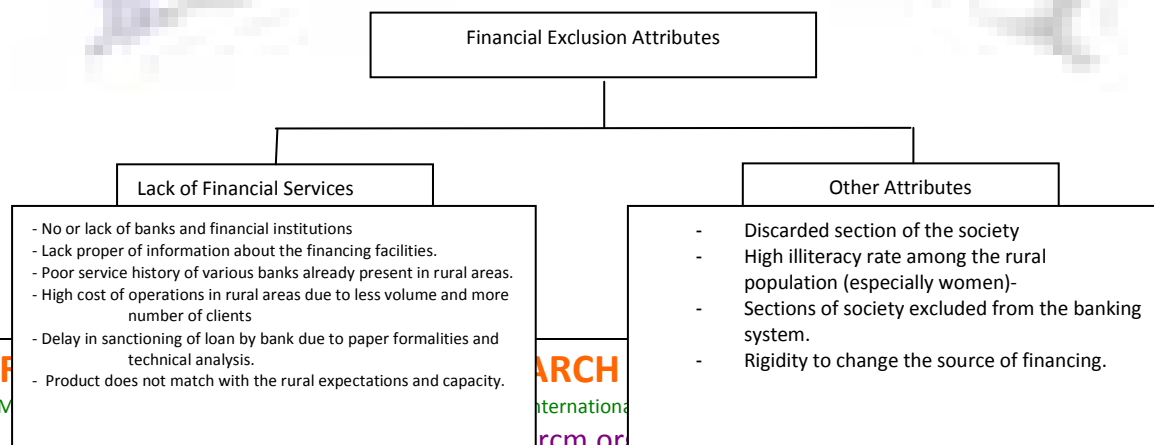
FINANCIAL EXCLUSION

According to K.C.Chakrabarty "Financial Exclusion is the lack of access by certain consumers to appropriate, low cost, fair and safe financial products and services from main stream providers."

Financial Exclusion: is lack of access by the poor and rural population to the formal sources of banks finance and other financial entities. Financial exclusion can be of following types:
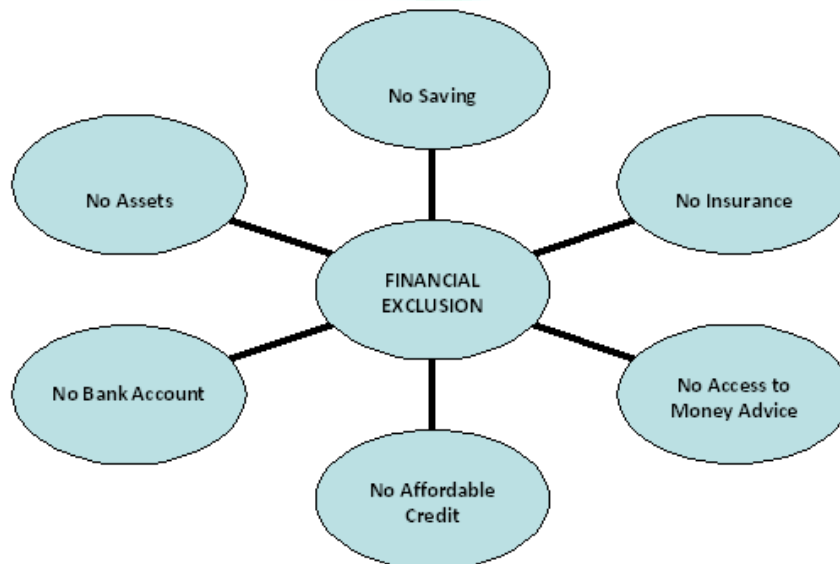
- <u>Core Exclusion</u>: those who operate their financial affairs completely outside the regulated financial system
- <u>Limited Access:</u> May have a basic bank account but poor financial habits and little advice
- <u>Included but using inappropriate products:</u> Victims of inappropriate products.

Problem area: As Reserve Bank of India data shows that as many as 139 districts suffer from massive financial exclusion, with the adult population per branch in these districts being above 20,000 and only 3 percent with borrowings from banks.

FINANCIAL EXCLUSION REASONS

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                    ┌─────────────────────────────────────┐
                    │   Financial Exclusion Attributes      │
                    └─────────────────────────────────────┘
                                     │
            ┌────────────────────────┴────────────────────────┐
    ┌───────────────────────────┐              ┌───────────────────────────┐
    │   Lack of Financial Services │              │       Other Attributes      │
    └───────────────────────────┘              └───────────────────────────┘
```

Lack of Financial Services	Other Attributes
- No or lack of banks and financial institutions - Lack proper of information about the financing facilities. - Poor service history of various banks already present in rural areas. - High cost of operations in rural areas due to less volume and more number of clients - Delay in sanctioning of loan by bank due to paper formalities and technical analysis. - Product does not match with the rural expectations and capacity.	- Discarded section of the society - High illiteracy rate among the rural population (especially women)- - Sections of society excluded from the banking system. - Rigidity to change the source of financing.

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FACTORS OF FINANCIAL EXCLUSION

No saving: maximum population in the rural areas is below poverty line and they hardly earn money to satisfy their family hunger, which makes the saving impossible.

No Assets: being BPL the rural population do not have enough assets to keep as mortgage with bank as security to fulfill the terms of bank lending for sanction of loan.

No Bank Account: as per the present study the number of population in rural areas having mobile is more than the bank account holders. This is somewhere due to the less informative approach of banks to the unbanked people.

No Affordable Credit: the banks are somewhere unable to define a clear demarcation between the services provided for urban and rural areas.
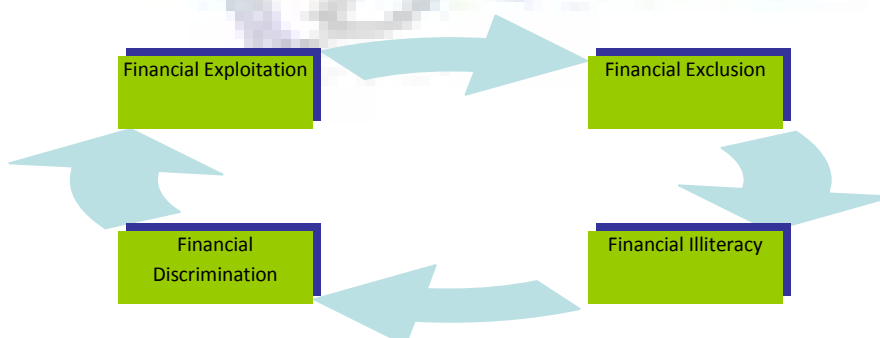
No access to Money Advice: due to lack of information about the various loan facilities, deposits options and insurance schemes with the banks the rural people are unable to take the facilities of banking.

No Insurance: now banks are coming up with the facilities of insurance which was not present way back to give the cushion to the farmers and other rural people.

SECTION EXCLUDED FROM BASIC FINANCING
1. Urban-slum dwellers
2. Marginal farmers
3. Landless laborers
4. Oral lessees
5. Self-employed and unorganized sector enterprises
6. Migrants
7. Ethnic minorities, and
8. Socially excluded groups, senior citizens, women and disabled people

VICIOUS CIRCLE OF FINANCIAL EXCLUSION

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Indian rural is trapped in the vicious circle of financial exclusion, reason being the high *illiteracy* rate which results in narrow and conservative thinking process because of which they always hesitate to accept the formal finance pattern provided by the bank in place of lending from moneylenders. This financial illiteracy leads to financial *discrimination* between rural from urban population as former hesitate and fear to accept the formal financing facilities by bank and latter avail the benefits of formal financing. These financially discriminated poor bound to approach their village moneylenders, which leads to *exploitation*, and increases of *financial exclusion* even though the country is coming up with bank branches in under banked and unbanked rural areas for 100% financial inclusion. Due to this *vicious circle* India has 145 million household excluded from banking resulting half of the India un-banked.
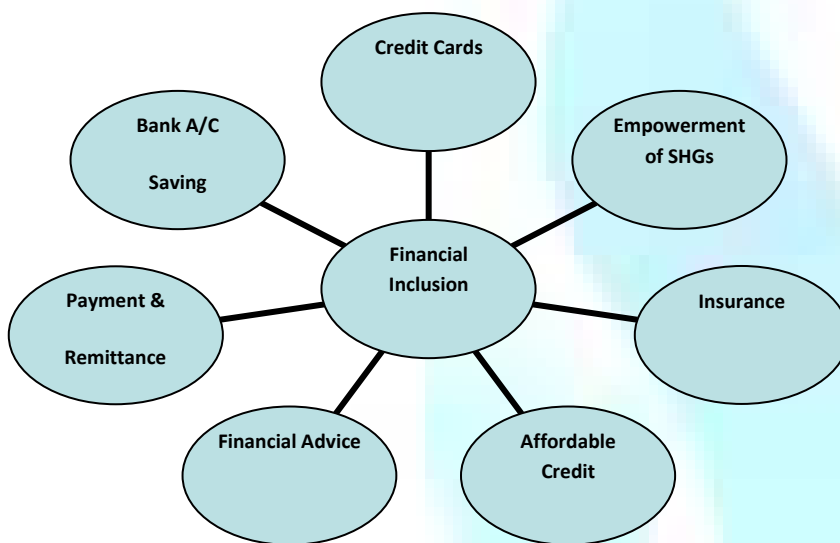
FINANCIAL INCLUSION

Financial inclusion is very important for the stable and economic growth of any country this can be achieve through active participation of banks. Thus Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players. The Governor of RBI has announced that we need to achieve financial inclusion through the mainstream financial institutions whether by mobile or card.

"The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost." - NABARD

"The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost." --- C Rangarajan

On the basis of above definition, financial inclusion is to make people access to the formal financial banking services of saving and borrowing and providing proper financial education to derive the benefits of formal financing. But as per present data only 38 per cent (32,000 branches) of the bank branches of scheduled commercial banks are in the rural areas and only 40 per cent of the country's population has bank accounts.

FACTORS OF FINANCIAL INCLUSION

FINANCIAL INCLUSION – PHASES & STEPS TAKEN BY GOVERNMENT

INSTITUTIONS	EAR	OBJECTIVES
Co-operative banks	1904	Basically to help poor people by opening branches in rural areas
Nationalized banks	1969	To open public sector banks branch in rural areas to provide easily accessible bank facility
Lead Bank Scheme	1970	The lead bank was to act as consortium leader for coordinating the efforts of all credit institutions in each of the allotted districts for expansion of branch banking facilities and for meeting the credit needs of the rural economy.
Regional Rural Banks	1975	It is the combination of the local feel and the familiarity with rural problems which the cooperatives possess and the degree of business organization, ability to mobilize deposits, access to central money markets and modernized outlook which the commercial banks have The institution of Regional Rural Banks was created to meet the excess demand for institutional credit in the rural areas, particularly among the economically and socially marginalized sections
Microfinance	1990	To provide micro-credit to the poor to help them in earning their livelihood by self employed.
Self Help Group	1992	SHG is a group of about 10 to 20 people, usually women, from a similar class and region, who come together to form savings and credit organization. They pooled financial resources to make small interest bearing loans to their members.
Self Help Group-Bank Linkage		Through the SHG-bank linkage program the RBI and NABARD have tried to promote relationship banking, i.e., improving the existing relationship between the poor and bankers
Microfinance Institution		Parties who provide microfinance services, such as loans, micro deposits and micro insurance. They may include microfinance banks, non-governmental organizations
Swarnjayanti gram Swarojgar yojana	1999	SGSY is holistic Scheme covering all aspects of self-employment such as organization of the poor into Self Help Groups, training, credit, technology, infrastructure and marketing. The scheme will be funded by the financial institutions, Panchayat Raj Institutions, District Rural Development Agencies (DRDAs), Non Government Organisation (NGOs),
Committee of financial inclusion	2006	Allowing the use of intermediaries for providing banking and financial services. Through such policies the RBI has tried to improve Financial Inclusion.
Business Correspondent	2009	The RBI approved BC model to approach the interiors where banks cannot be opened. Business correspondents are intermediaries who carry out banking functions in villages or areas where it is not possible to open a branch. These can be NGOs, or individuals of village who will work for spreading awareness of banking facilities and get stipulated remuneration for that.

RBI is keen on achieving 100% financial inclusion for sustaining equitable growth. It has emphasized banks whether public sector, private sector or multinational banks to open or support more and more branches of formal finance in under/un-banked areas, by increasing the reach to remote areas by which not only rural

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people will be benefited by loan at lower interest rate, interest on saving, other investment opportunities, insurance, e-card, kisan credit card but banks business will also increase by connecting to people.

THE PROGRESS OF RBI IN SPREADING FINANCIAL INCLUSION

Number of No-Frill Accounts	28.23 million (as on Dec. 31, 2008)
Number of rural bank branches	31,727 constituting 39.7% of total bank branches (as on June. 31, 2009)
Number of ATMs	44,857 (as on May 31, 2009)
Number of POS	4,70,237 (as on May 31, 2009)
Number of Cards	167.09 million (as on May 31, 2009)
Number of Kisan Credit cards	76 million (Source: CMIE publication 2007-08)
Number of Mobile phones	403 million (as on Apr.30, 2009)– out of which 187 million (46%) do not have a bank account (Source: Cellular Operators Association of India

A Presentation by Dr. K.C.Chakrabarty, Deputy Governor, Reserve Bank of India

No doubt like other nation in world India is also striving hard for financial deepening to make the country financially inclusive which ultimately leads to economic growth. The R.B.I. has given

- RBI is pushing banks to provide basic banking services in villages with a population of 2,000 and above by 2012 and those with a population of less than 2,000 over the next three to five years.
- RBI issued a circular in 2006 allowing the use of intermediaries for providing banking and financial services. Through such policies the RBI has tried to improve Financial Inclusion.
- RBI has told chiefs of both private and public sector banks that in addition to allowing the underprivileged no-frills accounts without a minimum balance requirement, banks should also provide them loans through an overdraft facility. This direction was given with the objective of achieving financial inclusion.
- All banks are urged to give wide publicity to the facility of such no frills account printed material can be used by banks in local languages.
- RBI has asked for a three-year plan on the extent of financial inclusion they achieve by 2011. This is the first time RBI has asked banks to give a roadmap on financial inclusion. So far, RBI has been asking for roadmap from banks on commercial matters such as capital raising plans.
- The 1990s also saw introduction of self-help groups – bank linkage program and launch of Kisan credit cards in the country. The present phase of pursuing financial inclusion as a declared policy objective started in 2005.
- The Information and Communication Technology (ICT) are now make available to penetrate the formal financial sector in widespread unbanked areas in a cost effective way
- KYC (Know your Customer) norms were relaxed for people intending to open accounts with annual deposits of less than Rs. 50,000.
- Banks providing kisan credit card to every household in a village with a population of over 2,000.
- General Credit Cards (GCC) were issued to the poor and the disadvantaged with a view to help them access easy credit. General purpose Credit Card (GCC) facility up to Rs. 25000 at rural & urban branches. In this facility Withdrawal is allowed up to limit sanctioned based on household cash flows, it does not require any security or collateral.
- RBI on June 2007 has started providing information on banking services through multilingual website in 13 Indian languages to make the e- banking concept more user friendly.
- In April 2006 RBI has announced the policy of identifying one district in each state by State Level Business Correspondent for 100% financial inclusion – 13 district are identified in NER for Financial Inclusion – RBI evaluation of progress through an external agency
- In January 2006, the Reserve Bank permitted commercial banks to make use of the services of non-governmental organizations (NGOs/SHGs), micro-finance institutions and other civil society organizations as intermediaries for providing financial and banking services.

Nearly forty years after nationalization of banks, 60% of the country's population does not have bank accounts and nearly 90% do not get loans, RBI and other financial institution are putting efforts to the financial inclusion but somewhere the financial inclusion activity is not taking pace as it should be, reason being there are various extraneous factors at micro and macro level which are effecting both the rural population and banks. The various factors affecting the two main ends (bank & rural poor) are as follows:

INTERNAL & EXTERNAL FACTORS RELATED TO RURAL POPULATION

EXTERNAL FACTORS
Bank Formalities
Lack of confidence of Bank
Geographical constraints
Section Disparity/ Inequality
Less Amount of Loan
Opinion Leader
Lack of Availability of Formal Finance
Mortgage Formalities
Financial Illiteracy
Employment

INTERNAL FACTORS
Lack of Education
Gender
Habits
Family Structure
Loan Priorities
Awareness
Prejudice of Individual

Rural Population

INTERNAL FACTORS

- **LACK OF EDUCATION:** the **Sarvashiksha Abhiyan, Adult Education system** started by the government with the view to literate every individual in India but the rural population is still hesitate to go school because of which the illiteracy rate is high in India basically the percentage is high in northern India. This lack of education keeps the individual away from the bank financing.

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- **GENDER:** India has currently the second-highest number of financially excluded households in the world. In villages there is a widespread gender difference which deprives women from earning and makes their position in society and home.
- **HABITS:** in rural population men are very much into smoking, drinking and speculation this lead to misutilization of their earnings and they unable to save money for their future security in bank and if they get loan from formal sector they misuse the loan.
- **FAMILY STRUCTURE:** in rural family the number of depending members are more then the number of bread earners, this lead to spending of maximum or full earnings in basic need of the family and left with no amount for saving in banks.
- **LOAN PRIORITIES:** due to illiteracy poor people unable to decide priorities for which they should take loan due to which they somewhere unable to repay the loan and declare as defaulter.
- **AWARENESS:** poor people are in such a vicious circle of poverty that they have no awareness about the various facilities given by the government for their upliftment.
- **PREJUDICE OF INDIVIDUAL:** Distance from bank branch, branch timings, cumbersome documentation/procedures, unsuitable products, language, staff attitude are common reasons due to which poor prejudice that the banking facility is not for them.

EXTERNAL FACTORS

- **EMPLOYMENT:** in rural areas the main source of earning of an individual is agriculture and maximum of them do not have their own land so they work on "Adhiya" and due to slow infrastructure development other employment are not available because of which people do not have sufficient money to meet their basic needs as well as no amount left for making any assets or saving in banks.
- **FINANCIAL ILLITERACY:** the reach and frequency of the financial literacy provided by the banks and government is not reaching to the under-banked and unbanked villages because of which they prejudice that banking facilities are for urban or rich people in the villages.
- **BANK FORMALITIES:** the banks have number of formalities like identity card, guarantor, KYC (know your customer)**,** sanction limit etc. prior to sanctioning of loan because of which the rural people hesitate and panic to avail the facility of financing from banks*.*
- **LACK IN AVAILABILITY OF FORMAL FINANCE:** at present only 38% number of villages has been covered by co-operative, commercial and regional rural banks and today also there are number of villages where there is no bank to avail the formal financing facilities.
- **OPINION LEADERS:** when an individual took monetary decision he/she always take advice from friends and relatives, in case of the rural the possibility of financially literate and convinced opinion leader is less.
- **LOAN AMOUNT:** poor people unable to satisfy their need with the help of loan amount sanctioned by the bank reason being prices are directly proportional to inflation but the revision of the loan amount to be sanction to the farmers or other allied workers do not get revised all the time with change in inflation.
- **INEQUALITY PROBLEM:** in rural areas people still follow caste & society due to which person from lower society deprived from education and formal loan due to the pressure of high society people in villages.
- **LACK OF CONFIDENCE OF BANKS:** the banks are prejudice that people in rural areas misuse loan and unable to repay loan which lead to increase in NPA of their balance sheet, that's why they sanction lower share for the rural financing.
- **GEOGRAPHIC CONSTRAINTS:** some villages are Remote, hilly & sparsely populated areas with poor infrastructure and difficult physical access due to which the banks find it difficult to open branches in these geographic constraints.

INTERNAL & EXTERNAL FACTORS RELATED TO BANKS OR FINANCIAL INSTITUTIONS

EXTERNAL FACTORS
RBI Rules and Regulations
Competition
Business Correspondents
Dormant No Frill Account
Lack of Confidence of Rural People
Infrastructure Constraints
Inflation

INTERNAL FACTORS
Priority Clients
Existing NPA
Employee Resistance
Cost-Benefit Ratio
Transaction Cost
Anticipated Profit
Bank

INTERNAL FACTORS

- **TRANSACTION COST:** banks have to incur high transaction cost for financing rural people with small amount of loans.
- **COST – BENEFIT RATIO:** the banks need to earn profit to survive in the competitive world, the bank sanction the amount of loan extended to the rural branches on the basis of cost benefit analysis.
- **EMPLOYEE RESISTANCE:** the trained bank officers hesitate to move to rural area branches due to lack of infrastructural facilities, due to which the rural branches somewhere lack in experience staff.
- **EXISTING NPA:** rural poor are dependent on natural climate for the cultivation so when the climate is not as per the crop they suffer loss and fail to pay loan installment or repay loan amount which increase the NPA of banks balance sheet.
- **PRIORITY CLIENTS:** banks give more weight to the regular customers, high net worth customers or the customers having good past record with bank because those customers regular in use of bank services (which generate the revenue) and also make timely repayment of loan.
- **ANTICIPATED PROFIT:** every year banks made their anticipated expenses and revenue statement to determine the profit to be earn in concerned year, so to earn the anticipated profit bank provide the bank financing firstly to those who really contribute to the profit of the banks than the rural areas where the security of earning profit is less.

EXTERNAL FACTORS

- **RBI RULES AND REGULATIONS:** to control inflation RBI increase the CRR (cash reserve ratio) and SLR(statutory liquidity ratio) due to which the banks left with less amount to be allocated for urban and rural financing.

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- **COMPETITION:** banks to sustain in competitive scenario give more substance to the urban population to capture major population which is financially literate and aware about the banking services, this somewhere neglect the rural poor.
- **INFRASTRUCTURE CONSTRAINTS:** number of villages in India does not have good roads, electricity supply, telephone and other infrastructure which lead to non opening of branches at remote rural areas and the population of those villages deprived of the formal finance system.
- **RURAL MISCONCEPTIONS:** rural population have a myth that banks are only for city people or people already have money and assets can avail the facility of banks. They also feel cumbersome due to paper formalities of the banks that's why they hesitate to approach banks.
- **DORMANT NO – FRILL ACCOUNT:** government has ordered banks to open no-frill account with minimum balance or no balance in the rural branches so that poor people start saving and availing various services, but in actual number of accounts has been opened but the rural people have not accessed then even a single time.
- **BUSINESS CORRESPONDENT:** the banks can not open branches in every village due to cost constraint to overcome this problem without depriving the rural poor from formal financing the banks appoint BC in those areas, but the coverage or acceptance of banking facility in that area become the responsibility of BC, who some time due to less commission does not take much effort.

From the above mentioned factors which pose as hindrance for Financial Inclusion, the following recommendations are proposed which will help to minimize the lacunas.

RECOMMENDATIONS

- The banks prior to open any branch in unbanked area can spread awareness among villagers through panchayat people as these are very strong opinion leaders for villagers.
- The government can bring awareness of banks schemes to rural by extending projects to rural management colleges for internship program. The students can bring awareness through role play, street play, and consultancy desk.
- The RBI can also lay down annual targets to banks for accomplishing financial inclusion.
- The bank can provide financial literacy to the village people by taking sessions during panchayat. This help in making maximum villagers aware of the banks facilities.
- The banks can keep some portion of loan for rural women so that they also take loan for self employment as well as bank's percentage of NPA will also be decrease as women are more sincere in repaying loans.
- There should be proper assistance to villagers at the time of filling of form for loan and enclosing of various proofs for this they can keep management trainees.
- The National Channel Doordarshan can be used by government to broadcast of the types of loans available for the farmers and the name of banks giving those loans.
- At the time of waiver-off, the full information of the person applying for waiver should be available so that only those who are unable to repay the loan could get the facility.
- The banks can touch no-frill account holder and explain them the benefits of interest earning even on the minimum amount of saving, the facility of taking loan against the saving account and general credit card.

CONCLUSION

No doubt financial inclusion is very important to uplift rural for the overall economic development of India, through this paper an attempt has been made to highlight various determinants from the perspective of rural population (like less amount of loan, financial illiteracy, geographical constraints etc.) and banks (like transaction costs, NPA, RBI regulations, etc) which are working as obstacles in implementing policies and schemes lay by RBI and government.

This paper tried to bring forth the various problems of rural population due to which they kept aloof from getting formal finance from banks. This paper tried to contributes various recommendations through which banks and R.B.I. in large can accelerate the pace of financial inclusion in under banked and unbanked rural areas.

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SIGNIFICANCE OF FLEXIBLE WORK TIMING IN WORK-LIFE BALANCE

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ABSTRACT

The concept of work-life balance is based on the notion that paid work and personal life should be seen less as competing priorities than as complementary elements of a full life. This initiative was aimed at encouraging employers to adopt flexible working arrangements such as job sharing, flexi-time, compressed hours and others, to help their employees to achieve a better balance between the demands of paid employment and those arising from there. The way to achieve this is to adopt an approach that is "conceptualized" as a two way process involving a consideration of the needs of employees as well as those of employers In order to engage employers in this process it is important to demonstrate the benefits that can be derived from employment policies and practices that support work-life balance, and the scope that exists for mitigating their negative effects on the management of the business. This articles discusses the significance of flexible work timing in work life balances

KEYWORDS
Work-Life Balance, Flexible Working, Demands of Employment, Encouragement.

INTRODUCTION

Work-life balance is about improving people's quality of life and widening access to paid employment and career opportunities. A work-life balance ethos supports staffs who wish to have a greater involvement in public life and in the community. It sends a positive message to students with caring responsibilities and promotes positive values to the rest of the students. Working more flexibly can contribute to reducing traffic and pollution thus reinforcing the commitment of the university to the local environment. It can be concluded that supporting and further developing work-life balance policies and practices is important to the university as it presents a series of benefits both for the institution and its employees. For this reason the Directorate of Human Resources has carried out a university-wide staff audit to gain information in order to ensure that work-life balance policies and practices are consistently implemented, match the needs of staff and are compatible with the operational requirements of the university. The following section of this report explains how the audit was carried out and provides an in–depth analysis of its main findings.

Work-life balance policies and practices are also instrumental to ensure that some important economic goals are achieved particularly with regard to women's employment and earnings. The European Union has set a goal of increasing the number of women in work to more than 60% by 2012 (The Social Situation in The European Union, 2001). Although the domestic figures show that the India is well ahead of this target, as overall 67% of women and 79% of men aged between 16 - 64 are in employment, there is still a significant gap between the percentage of men and women with dependent children who are in employment, 89% and 65% respectively. The gap widens considerably when one looks at the percentage of women in employment whose youngest child is aged 5 or under, in this instance only 53% work, and many of those do so on a part-time basis (Equal Opportunity Commission, 2003).

Women's interrupted and patchy employment history has a detrimental effect on pension entitlements and leads to a high level of female poverty in old age. Therefore there is a compelling case for helping women to remain in employment throughout the years of child rearing by offering working pattern that are compatible with their childcare responsibilities

OBJECTIVE OF THE STUDY

- To Study the role of monitoring section focuses on the tracking of the performance of individuals, reviewing performance (e.g. through regular appraisals and job plans)
- To enumerate the initiatives of employees in targets section examines the type of targets (whether goals are simple)
- Establish the extent to which employees perceive the provision of work-life balance practices as inclusive.
- Ascertain the demand for work-life balance practices.
- Assess take-up of work-life balance practices including reasons for non take- up (e.g. impact on job security and promotion).
- Ascertain employees' views on the detrimental effects of flexible working.

REVIEW OF LITERATURE

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The existing studies are very few and very little information is available about the Work life balances usage on various tools.

Research conducted by IES **(Kodz et al., 2008)** prior to the implementation of the right to request flexible working, nonetheless, indicates some of the other reasons why employees may not wish to change their working arrangements.

The first Work-Life Balance Baseline Study was conducted in 2008 by IFF on behalf of the Department of Education and Employment **(Hogarth, et al, 2009).** The study's aim was to assess the extent to which employers operated work life balance practices and whether employees felt existing practices met their needs.

The first Flexible Working Life Balances Employee Survey was carried out between September 2008 and February 2009, between six and 11 months after the right to request flexible working was introduced in April 2007 **(Palmer, 2009).**

The second Flexible Working Life Balances on Employee Survey was conducted in January 2005 **(Holt and Grainger, 2005).** It aimed to monitor changes in the awareness and take-up of the right to request flexible working since the first flexible working employee survey, and to assess the impact of the legislation
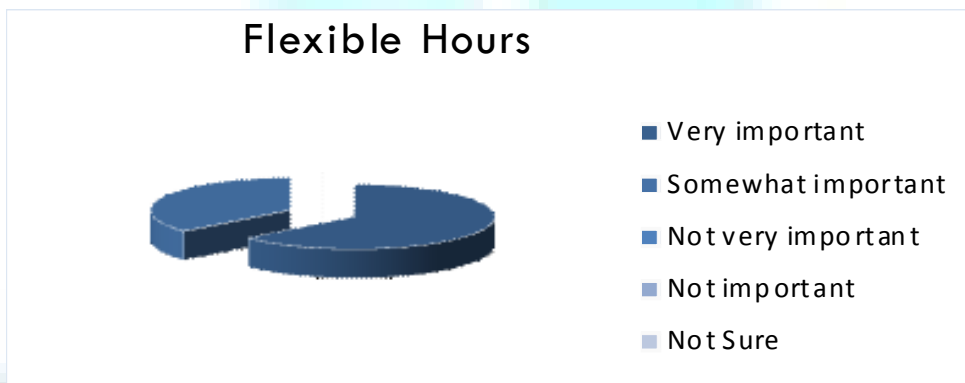
RESEARCH METHODOLOGY AND DATA ANALYSIS

This study is based on primary data and secondary data. Primary data collected from 120 Employees of private and public company in India. With the help of a well drafted, pre-tested and structured questionnaire. Descriptive research is used when the purpose of the study is to describe the characteristics of certain groups. In this study, the survey method is employed, where in the data collected from the questionnaires left in convenient blank locations, transmitted electronically, personal contacts. A sample of 200 respondents being the users of E-Banking services was selected of which only 150questionnaires responded after the two follow-ups. Of these, only 120 questionnaires were effective, as some of the questionnaires had incomplete responses, there by yielding a 30%. Secondary data collected through journals, websites, magazines, and newspapers are used to find out the employee work life balances.

SUMMARY OF RESULTS

A wide variety of staff from across the company responded to the survey of which just fewer than 36% have children. The most commonly cited interests outside of work are sport (21.3%) and undertaking a course of study or training (20.7%). The vast majority (97.6%) of respondents believe that it's important to achieve a balance between work and personal life and most (84.2%) agree that doing so is a joint responsibility of employer and employee. Certain categories of staff (single, no children, manual staff, supportive manager and senior management) are more likely than average to believe that policies to promote work-life balance can be unfair to them. The majority of staff feels that their manager's style supports work-life balance at least some of the time (89.5%) and that they can discuss issues with them, again at least some of the time (83.4%). Academic staffs are the group least happy with their line manager's attitudes towards work-life balance. They are also the group most likely to feel that their colleague's needs to balance work and personal life impacted on them in a negative way. Marked variations exist in current levels of flexibility for staff on different contracts. Manual staffs are the most likely to work part-time (42.9%) and Supportive mangers the most likely to work from home occasionally (62% and 68.4% respectively).

Flexible working is certainly not just something for parents as 'To suit overall needs' (32.7%) was the most common reason given for flexible working followed by 'To reduce the amount of traveling' (22.4%). 'Childcare responsibilities' (19.9%) was the third most important reason. The reasons for wanting flexible working change depending on the age of the respondents. In all age groups apart from those aged 25 to 30 'to suit overall needs' was the most common reason given. For 21 to 25 year olds 'to pursue a course of study or training was the reason cited most often (28.6%). Childcare responsibilities take on their greatest significance in the 26 to 35 and 36 to 45 age groups. Over half of respondents (55.2%) would like to work more flexibly. The majority who don't want to say it's because they were happy with their current situation. The working arrangements most often cited as being of interest to those who would like more flexibility are flexitime (48.2%), working from home occasionally (40.4%) and compressed working hours (39.3%). The most common reasons given for wanting more flexible working are: 'To suit overall needs' (29.9%), 'To reduce the amount of travel' (24.2%), 'To pursue a course of study or training' (18.5%), 'Childcare responsibilities' (17.5%) and 'To pursue major interest outside work' (14.2%). In terms of special leave only maternity leave (10%) and compassionate leave (11.8%) have been taken by more than 10% of respondents. However figures are much higher in other areas when looking at leave staff thinks they might take in the future. 25% say they are likely to take compassionate leave, 14.4% that they may take a career break, 11.6% that they may take maternity leave and 11.4% that they may take additional leave. Results suggest there is a need to make details of the policies and practices relating to special leave (including who staff

should talk to much clearer. type of leave taken variations in from their information information they taking was most likely to information they (23.5%) and staff leave the least had taken employee support with the service being used number of (13.4%).

about obtaining it) Depending on the there were wide where staff received and in the quality of obtained. Staff compassionate leave feel the quality of received was poor taking maternity (12.2%). Few staff advantage of the available to them occupational health by the greatest respondents

PERCENTAGE OF RESPONDENTS

A) Factors in alleviating stress – Flexible Hours

Total respondent	**= 120**
1) Very Important	= 63%
2) Somewhat important	= 36%
3) Not very important	= 0%
4) Not important	= 0%
5) Not Sure	= 0%

GRAPH 1: FLEXIBLE HOURS

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Occasionally work from home

- Very important
- Somewhat important
- Not very important
- Not important
- Not Sure

B) Factors in alleviating stress – Occasionally work from Home

Total respondent = 120

1) Very Important = 36%
2) Somewhat important = 36%
3) Not very important = 5%
4) Not important = 5%
5) Not Sure = 16%

Take Unpaid Leave

- Very important
- Somewhat important
- Not very important
- Not important
- Not Sure

GRAPH 2: OCCASIONALLY WORK FROM HOME

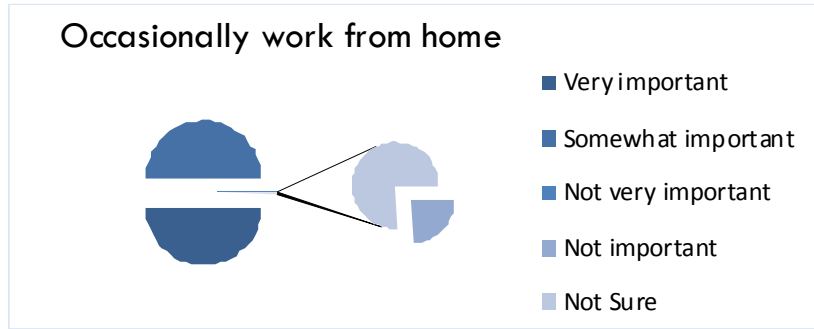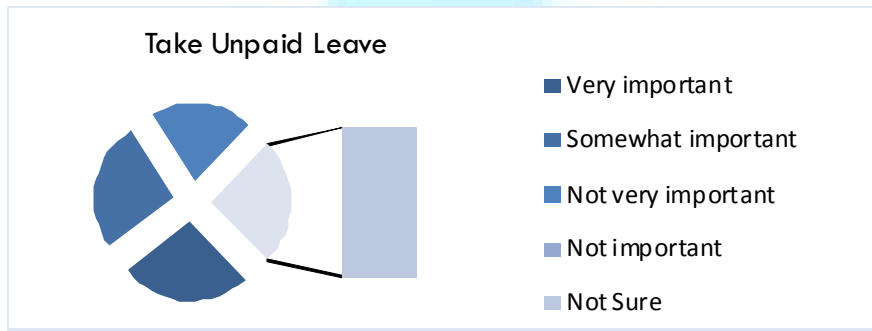**C) Factors in alleviating stress – Take Unpaid Leave**

Total respondent = 120

1) Very Important = 27%
2) Somewhat important = 27%
3) Not very important = 21%
4) Not important = 0%
5) Not Sure = 26%

GRAPH 3: TAKE UNPAID LEAVE

D) Factors in alleviating stress – Personal Calls at work

Total respondent = 120

1) Very Important = 16%
2) Somewhat important = 40%
3) Not very important = 16%
4) Not important = 12%

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5) Not Sure   = 16%

GRAPH 4: PERSONAL CALLS AT WORK

LIMITATIONS OF THE STUDY

➢ The data collection procedure was taken up from customers in Chennai city only.
➢ Personal bias and prejudice of the respondents could have affected the results of the study.
➢ The sample size of 120 customers may constitute a limitation due to its small nature.

FLEXIBLE WORKING ARRANGEMENTS

JOB SHARING

Women (63 per cent) were considerably more likely than men (43 per cent) to say that it would be feasible for their job to be undertaken on a job-share basis, even though this option was not currently available. However, comparing the views of employees who were working flexibly in some way other than part-time (or who had done so in the past 12 months), with nonflexible full timers, there was very little difference: whilst 62 per cent of those defined as part-time by this variable thought that it would be feasible to do their job on a shared basis, this was the case of only 46 per cent of other flexible workers, and 48 per cent of those not working flexibly.

FLEXIBLE TIME

The findings would suggest that there is considerably more potential to increase the use of flexible time in the private than the public sector: 47 per cent of private sector employees who did not currently have flexi time available to them felt that it would be feasible to do their job in this way, as compared to 28 per cent of those in the public sector. Comparing findings for different industries, employees in banking, insurance and finance (55 per cent), constructions (52 per cent), and manufacturing (50 per cent), were most likely to see flexible time as feasible.
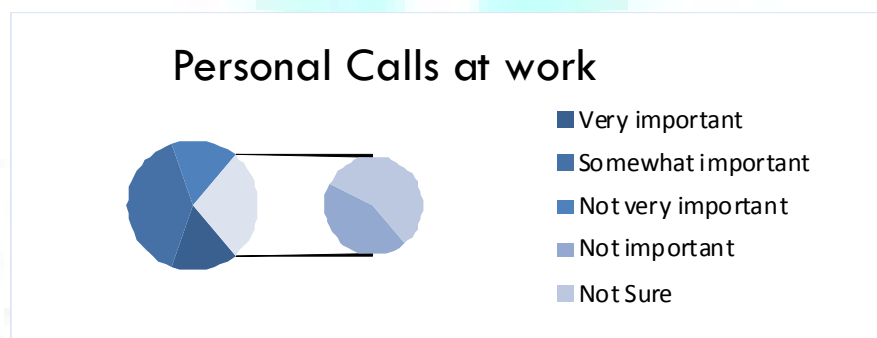
EMPLOYERS' ROLE IN IMPROVING WORK-LIFE BALANCE

When asked about what employers could do to help employees achieve a better work-life balance, 33 per cent of employees in WLB said that their employers were already doing as much as could be reasonably expected. This was down to 25 per cent in this survey suggesting that employees feel that employers could do more to help. Flexibility in working arrangements was one of the main provisions 99 that employees suggested. This response seemed to have maintained a consistent level since WLB2 as 21 per cent cited flexibility in WLB, as compared with 20 per cent in this survey.

CONSULTATION WITH EMPLOYEES ABOUT ADJUSTING THEIR WORKING ARRANGEMENTS

Overall, almost half of the employees in this survey agreed that their employers consulted with them about adjusting their working arrangements. There has been an increase in the numbers since WLB2 as this was 47 per cent in WLB. In line with this finding, there was also a notable reduction in the number of employees stating that they were never consulted about their working arrangements (from 45 per cent in WLB to 41 per cent in this survey). Again, this is an encouraging message that employers are being more flexible. Employees' overall impression of their employer and relations between managers and employees also described the relations employees at their Overall, 78 per cent felt good, 12 per cent said they bad and ten per cent said bad (only three per cent very bad). This question where 73 per cent of the relations as good. It been an improvement in perceptions of relations employees at their comparisons also show that employees said that the whilst this was down to ten between managers and workplace as good. that the relations were were neither good nor that the relations were stated that they were was also asked in WLB employees described seems that there has employees' between managers and workplace, as 13 per cent of WLB relations were poor per cent in this survey.

Personal Calls at work

- Very important
- Somewhat important
- Not very important
- Not important
- Not Sure

ATTITUDES TO WORK-LIFE BALANCE

Employees were asked a series of questions about work-life balance. Four questions were kept the same in all three WLB surveys. Looking at the number of employees agreeing with each of these statements shows how attitudes towards work-life balance have remained largely consistent since WLB. The most notable change was on the statement concerning employers' responsibility in helping employees balance work with other aspects of their life, which shows an increase of five per cent (from 33 per cent in WLB to 38 per cent in this survey). This suggests that since WLB more employees have been agreeing that 'it is not the employers' responsibility to help people balance their work with other aspects of their life'.

The research was analysis through the primary data on analyzing the Weighted Average method and Chi square Test. On analyzing the Hypothesis.

WEIGHTED AVERAGE METHOD

To find the difficulty of an employee to concentrate on work because of home matters.

TABLE 1: PERCENTAGE

Sl. No	Particulars	Respondents	Percentage%

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1	Strongly Agree	21	18%
2	Agree	9	8%
3	Neutral	21	18%
4	Disagree	27	22%
5	Strongly disagree	42	34%
	Total	120	100

SOLUTION

TABLE: 2

X	W	WX
1	21	21
2	9	30
3	21	51
4	27	78
5	**42**	**120**

Table 2: Calculation of WX

X= ∑WX / ∑W   = 120 / 42
= 2.85
Therefore, it difficult from employee to concentrate on work because of home matters.
INFERENCE
Since the calculated value (2.85) is greater than the tabulated value (), H_0 is rejected. Therefore we can conclude that there is significant relationship between the concentrate on work because of home matters

STATISTICAL ANALYSIS

CHI SQUARE TEST
The CHI SQUARE analysis is made to find out whether there is a relationship between the efficiency of conflicts in family about working hours and help from family and friends
EFFICIENCY OF WORKING HOURS

TABLE 3: EFFICIENCY OF WORKING HOURS

Sl.no	Particulars	Respondents	Percentage (%)
1	Usually	15	13
2	Often	6	5
3	Sometimes	19	16
4	Rarely	36	30
5	Never	44	37
	Total	120	100

HELP FROM FAMILY AND FRIENDS

TABLE 4: HELP FROM FAMILY AND FRIENDS

Sl.No	Particulars	Respondents	Percentage (%)
1	Strongly Agree	12	10
2	Agree	66	55
3	Neutral	36	30
4	Disagree	0	0
5	Strongly Disagree	6	5
	TOTAL	**120**	**100**

TABLE 5: OBSERVED FREQUENCY (O)
OBSERVED FREQUENCY (O)

Efficiency Of Working Hours / Help from family and friends	Usually	Often	Sometime	Rarely	Never	TOTAL
Strongly Agree	5	4	3	2	0	**14**
Agree	6	4	3	1	1	**15**
Neutral	4	6	3	1	1	**15**
Disagree	1	2	1	1	1	**6**
Strongly Disagree	1	2	1	1	1	**6**
Total	**15**	**16**	**10**	**3**	**6**	**50**

HYPOTHESIS
H_0 = Null hypothesis
- There is no significant relationship between efficiency of working hours and help from family and friends
H_1 =Alternative hypothesis
- There is significant relationship between efficiency of efficiency of working hours and help from family and friends

EXPECTED FREQUENCY

TABLE 6: CALCULATION OF EXPECTED FREQUENCY

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Efficiency Of Working Hours / Help from family and friends	Excellent	Good	Average	Poor	Total
Highly satisfied	4.2	4.48	3.64	1.68	**14**
Satisfied	4.5	4.8	3.9	1.8	**15**
Dissatisfied	4.5	4.8	3.9	1.8	**15**
Highly dissatisfied	1.8	1.92	1.56	0.72	**6**
Total	**15**	**16**	**13**	**6**	**50**

Formula:

$$\text{Chi square}(X^2) = \frac{\text{Sum } (O-E)^2}{E}$$

Where;
O= Observed frequency
E= Expected frequency

$$E = \frac{\text{Row Total} * \text{Column Total}}{\text{Grand Total}}$$

TABLE 7: CALCULATION OF X^2

Observed values(o)	Expected values(E)	O-E	$(O-E)^2$	$(O-E)^2/E$
5	4.2	0.8	0.64	0.1523
6	4.5	1.5	2.25	0.5
3	4.5	-1.5	2.25	0.5
1	1.8	-0.8	0.64	0.3555
4	4.48	-0.48	0.2304	0.05142
4	4.8	-0.8	0.64	0.133
6	4.8	1.2	1.44	0.3
2	1.92	.08	0.0064	0.00333
3	3.64	-0.64	0.4096	0.1125
3	3.9	-.9	0.81	0.2102
5	3.9	1.1	1.21	0.3102
2	1.56	.44	0.1936	0.1241
2	1.68	.32	0.1024	0.0609
2	1.8	.2	0.04	0.022
1	1.8	-.8	0.64	0.3555
1	0.72	.28	0.0784	0.1088
50	**50**	**0**	**11.5808**	**3.2997**

$$X^2 = \frac{\sum (O-E)^2}{E}$$

=3.2997

Degree of freedom = (R-1)*(C-1)   = (4-1)*(4-1)   =3*3   =9

INFERENCE

Since the calculated value (3.2997) is greater than the tabulated value (), H_0 is rejected.

Therefore we can conclude that there is significant relationship between the Efficiency of conflicts in family about working hours and help from family and friends.

SUGGESTIONS

This is hard for a lot of people, because their work is an important part of who they are as people. This can be admirable, especially when you accomplish great things in your work, but an always-on-the-job attitude can be harmful in the long run.

- The most important thing it is to make a good schedule and keep to it.
- Block out all your work and non-work commitments and make sure to allow plenty of downtime and non-work time.
- Treat non-work commitments as seriously as you treat working commitments — the time you've assigned to family, housework, and your own activities needs to be just as inviolable as the time you spend in the office, going to meetings, or meeting deadlines. a) Looking undependable, b) upsetting someone, or c) missing out on something. Make a point of seriously considering any request that comes your way, and double-check your schedule before taking anything else on.
- Drop the list for a day or two, and take things as they come. This is really about attitude, drawing a clear line between your work-life and the rest of your life.
- The idea is to give yourself a set amount of time — say, an hour — to do the job, no matter how poorly. Let go of your perfectionism and just do as well as you can in the set time. You may have to go back and fix it up — but you'll be charged up by knowing the "heavy lifting" is already done.
- I learned this the hard way when a rough patch of work started to alienate me from my family. Let the people closest to you know what's going on in your work life when things get hectic, so they don't feel like your lowest priority or worse, suddenly abandoned.

CONCLUSION

Companies have begun to realize how important the work-life balance is to the productivity and creativity of their employees who were more favorable toward their organization's efforts to support work-life balance also indicated a much lower intent to leave the organization, greater pride in their organization, a willingness to recommend it as a place to work and higher overall job satisfaction. Employers can offer a range of different programs and initiatives, such as flexible working arrangements in the form of part time, casual and telecommuting work. More proactive employers can provide compulsory leave, strict

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maximum hours and foster an environment that encourages employees not to continue working after hours. It is generally only highly skilled workers that can enjoy such benefits as written in their contracts, although many professional fields would not go so far as to discourage workaholic behaviour. Unskilled workers will almost always have to rely on bare minimum legal requirements.

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QUALITY OF LIFE OF FEMALE PROFESSIONALS: A COMPARATIVE STUDY OF MALE VS. FEMALE

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ABSTRACT

At present the Indian women's are changing constantly. Women of today are no more confined to kitchen and four walls of the house. The unfolding changes in the composition of the workforce together with the growing proportion of workers in non-traditional family forms have focused discriminating attention on the conflicts faced by employed men and women in balancing the competing demands and responsibilities of work and family roles. The females are coming out and earning equivalent to men. The aim of the study is to find the quality of life among female professionals in comparison to the male employees. The study is conducted with 50 male and 50 female professionals working in government and private sector organizations. The research reveals that there is no difference in the quality of work life of male and female employees, but still the women professionals are less satisfied in their general life than the men.

KEYWORDS

Indian Women, Quality of Life, Female Professional.

INTRODUCTION

Quality of Life refers to the quality of life of individuals in their working organizations- commercial, educational, cultural, religious, and philanthropic or whatever they are. According to the WHOQOL Group, QoL is defined as " the individual's perception of his position in life in the context of his culture and the value systems of the society in which he lives compared to his objectives, expectations, standards and concerns."(WHO Quality of Life Group 1995, p.1405). Quality of life among women involves a variety of everyday activities, such as work, taking care of home, children and other activities like spending time on leisure activities.

Baba and Jamal (1991) listed what they described as typical indicators of quality of working life, including:
- Job satisfaction
- Job Involvement
- Work role ambiguity

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- Work role conflict
- Work role overload
- Job stress
- Organizational commitment
- Turn-over intentions

NEED FOR QUALITY OF WORK LIFE FOR WORKING WOMEN'S

As from an era "*Men are bread winners, women are home-makers*"

It was the time when husband earns and wife's were staying at home, busy with family chores. But now the time has changed women's are becoming professional and they are also earning. Though the women have come out to work but still they have to cook and look after the children's. So how does she balance her work with life at home?

Women's in India are still struggling to establish their own identity. They have to face difficult situations because of competing demands between job and family life. But still Indian women's are all the way to break the glass ceiling.

Most women, because of familial or societal pressures, may find it difficult to continue in the same strain. The question is not whether this workplace environment is right or wrong but what can we do to make it favorable for both men and women? Where and how do we begin the process?

The growing presence of professional women at workplace in India, as in other countries, is leading to a noticeable increase in dual role. Where the women try to manage work and non-work domains concurrently. The challenge in the work domain for professional women is pursuit and enhancement of dual careers, each with its demand on the commitment, time, and energy of individual members. The non-work domain includes multiple-role commitments from family members making demand on emotional, cognitive and financial resources for personally meaningful pursuits.

These increased responsibilities at home when combined with unhealthy work relationships can cause stress and mental problems such as loss of sleep, headaches, BP problems etc. At present many organizations have adequate preventive strategies and response mechanisms to address issues of sexual harassment, violence and discrimination at the workplace. Organizations are providing various facilities such as extended maternity leave, crèche/daycare facilities, half day working, loss-of-pay leave, telecommuting, facilitating re-entry of women through crash training programmes, providing dependable child care facilities, flexible work schedules, job etc. This is supporting them a lot in maintaining better quality of work life.

THE INDIAN CONTEXT

The growing number of professional females in India is forcing the organizations to play a major role in providing better quality of worklife. As Greenhaus and Beutell, 1985; Sekaran, 1986 researched that employed women who are married and/ or those who have children tend to experience high level of career family conflict because of the conflicting pressures arising from family and work.

As the researcher researched that family environment and work environment are the two factors that contribute to the enhancement of complications or problems for employed women, and between the two, the non job factors or family-related factors weigh more importantly for women (Joshi 1990). It has been found by empirical research that career women in India shows that work and family dilemmas are often different from those reported by women in the west (Sekaran,1992).

Komarraju, 1997, found that the growing number of educated women in India- who are participating in the Urban, organized, industrial sector in technical, professional and managerial positions- has been accompanied by a steady growth in dual career families. Paul, Lewis and Kagan (1999), women in India experience considerable pressure in the morning before going out to work and after work, to do all that is necessary for the family

As compared to their counterparts in other parts of the world, Indian employees face a lot of difficulties in managing their work and life.

The studied showed that although conflict between career and family roles can be a potential source of stress for both women and men managers, it affects women in India more than men because of many reasons. While social, legal and economic reforms have helped women to join the workforce in India, the continuing influence of normative attitudes and values have prevented them from altering the perception of the society as well as their own regarding sex-roles. Equal distribution of domestic responsibilities is thus a distant possibility now (Bharat, 2003).

Aryee, Srinivas and Tan, (2005), surveyed that the expectation that women should give priority to the family suggest that women managers would experience higher level of parental role- oriented than men

THE OBJECTIVE OF THE STUDY

- To find out the comparative analysis of quality of life of working women and men.
- To understand the perception of women professional towards their general life satisfaction.
- To study the quality of life of female professionals in government and private sector.
- To study the impact of age on quality of life of both male and female professionals.

RESEARCH METHODOLOGY

To test the above, the following null hypotheses were formed. The hypotheses were as follows:

H1 – There is no significant difference between the quality of work life of male and female employees.

H2- Male employee's general satisfaction in life is significantly better than female employees.

H3- Quality of work life of female employees in public sector is significantly better than the employees of private sector.

H4- General life satisfaction of female employees in public sector is significantly better than the private sector employees.

H5- There is a significant difference in the quality of work life of female employees with respect to their age groups.

H6- There is a significant difference in the general life satisfaction of female employees with respect to their age groups.

This study was conducted with a total sample of 50 women professional and 50 male professionals through random sample method. The respondents were from private and public sector organizations. The male respondents were from Bhilai Steel Plant and female respondents from State Bank of India, ICICI Bank and Chhattisgarh State Electricity Board. The primary data is collected for the study. The primary data is collected through survey method. A structured questionnaire was developed for this research work. It consists of two parts- the quality of work life in an organization and how you feel about the general satisfaction in your life. Respondents were asked to judge the factors/statements through four-point scale ranging from "strongly agree" to "strongly disagree". For data calculation, "strongly agree" was given 4 points, "agree" was given 3 points, "disagree" was given 2 points and "strongly disagree" was given 1 point. Apart from this, data was collected through interviews to have a greater understanding of the issues. Here various hypotheses were tested. Percentage, average, standard deviation, t-test and one way ANOVA were used for data analysis.

RESPONDENT'S PROFILE

Out of 50 male respondents 2% are below 25 years of age, 4% are 25- 35 yrs of age, 38 % are 35-45 yrs of age, 46% are 45- 55 yrs of age and 10% are above 55 yrs. From female professionals 22 % are below 25 yrs, 40% are 25-35 yrs, 20% are 35-45 yrs and 18% are 45-55 yrs. Majority of the male respondents (100%) are married and among women professionals 62% are married and 28% are unmarried. In terms of the male respondents only 22% of the spouse is in working and rest 66% of the spouse are house wife. Among male and female respondents 85% of the employees are in government sector and 15% are in private sector. In terms of education of male respondents 2% are Under Graduate, 84% are Graduate, 14% are Post-Graduate and of female respondents 44% are Under Graduates and 56% are Post-Graduate.

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DISCUSSION ON THE FINDINGS OF THE STUDY
COMPARISON BETWEEN THE QUALITY OF WORK LIFE OF MALE AND FEMALE EMPLOYEES

TABLE 1: QWL OF MALE AND FEMALE EMPLOYEES

Groups	Mean	S.D.	't'
Male (N=50)	123.3	10.85	0.12
Female (N=50)	123.06	8.39	

It's clear from the analysis that in case of both male and female employees the degree of satisfaction about the quality of work life in the organization is almost the same. The null hypothesis is that there is no significant difference between Quality of Work Life between male and female employees. The obtained t=0.12 which is less than the table value of 2.576 at 1% level, which is statistically insignificant and hence the null hypothesis is accepted. Hence it indicates that male (M=123.30) and female (M =123.06) are equally satisfied with quality of worklife in an organization. The results of the study revealed that about 61% of female professionals are equally satisfied with their organization policies. Even organizations are paying due importance on the quality of work life of working women's of their organizations.

GENERAL LIFE SATISFACTION OF MALE AND FEMALE EMPLOYEES

TABLE 2

Groups	Mean	S.D.	't'
Male subjects (N=50)	45.90	5.45	4.15
Female subjects (N=50)	40.84	6.66	(p<.01)

The study reveals that male (M=45.09) are more satisfied in their life as compared to female (M=40.84). The null hypothesis is that Male employee's general satisfaction in life is significantly better than female employees. As t=4.15 which is statistically significant at 0.01 level, as the calculated value of t is more than the table value 2.576.Thus Ho is accepted. This is very true as the women professional have to take care of the family responsibilities vis-à-vis to their spouse. As the survey showed that almost 81.73% of the male and about 76.27% of the female respondents are satisfied with their life. Still now a days male are coming up to do the home chores, as most of the male respondents (84%) favored that in the morning at work fly offs.

QUALITY OF WORK LIFE OF FEMALE EMPLOYEES IN PUBLIC AND PRIVATE SECTOR ORGANIZATIONS

TABLE 3: QWL OF GOVERNMENT AND PRIVATE SECTOR OF FEMALE EMPLOYEES

Groups	Mean	S.D.	't'
Govt. sector employees (N=35)	123.63	8.43	2.08
Private sector employees (N=15)	119.40	7.29	(p<.05)

The findings suggests that in government sector employees are more satisfied in their quality of work life in the organization (M=123.84) as compared to private sector employees (M=119.40) at .05 level of statistical significance (t=2.08, p<.05). As Ho is QWL of government of female employees is better than private sector employees. The calculated value of t is more than the table value 1.960 at 5% level, so the hypothesis is accepted. An overwhelming majority of government employees (75%) and only 66% of private employees have supported this statement that "the salary and compensation which they are receiving is adequate for them and their family". In government sector 71% of the employees agreed that they don't feel overburden with the duration and the work load of their organization in comparison to private sector employees (26%). In private sector only 53% employees agrees that they never feel insecure about their job whereas in government sector mostly (90%) are secure about their jobs.

GENERAL LIFE SATISFACTION OF FEMALE EMPLOYEES IN PUBLIC AND PRIVATE SECTOR ORGANIZATIONS

TABLE 4: LIFE SATISFACTION OF GOVERNMENT VS PRIVATE SECTOR EMPLOYEES

Groups	Mean	S.D.	't'
Govt. sector employees (N=35)	42.3	6.68	2.50
Private sector employees (N=15)	37.40	5.39	(p<.05)

The hypothesis is the general life satisfaction of female employees in public sector is significantly better than the private sector employees. The above result it indicates that government sector female employees seems to have more magnitude of general satisfaction in life (M=42.3) as compared to private sector female employees (M=37.40) at .01 level of statistical significance t= 2.50, p<.05, so the Ho is accepted. About 75% of the government female employees are satisfied with the schooling facility available for their children's than private sector employees only 40% are satisfied. As the government employees are not overburden with the work load that's why they get enough time to take care of their children's so almost 70% of government employees are satisfied with children's study whereas in private sector only 40% are satisfied with it. If we talk of housing facility maximum of government employees agreed on the statement "satisfied with housing accommodation". So from the above analysis it's clear that in government sector work-life issues are followed more than in the private sector.

QUALITY OF WORK LIFE OF FEMALE EMPLOYEES WITH RESPECT TO THEIR AGE GROUP

TABLE 5: QWL OF FEMALE EMPLOYEES ON THE BASIS OF AGE

Age group	Number (N)	Mean	S.D.	F
<25 years	11	122.18	5.79	
25-35 yrs	20	121.75	8.76	0.52
35-45 yrs	10	125.40	7.89	
45-55 yrs.	09	124.04	11.06	

The finding suggests that no statistical significant difference was found on quality of work life in organization on the basis of different age among female groups. As the hypothesis is, there is a significant difference in the quality of work life of female employees with respect to their age groups. The calculated value of F= 0.90 which is less than the table value 2.76 at 5% level with d.f is v1= 3 and v2= 47, so the Ho is rejected, which is statistically insignificant, so it gives weightage to above analysis. Thus it shows that age doesn't make much difference in quality of work life. About 96% of the employees agree that they are equally treated in respect of caste, religion and community and 64% they say that all the employees are equally treated for strict observation of rules and regulations of the organization. So there is no inferior complexity among the employees with different age groups.

GENERAL LIFE SATISFACTION OF FEMALE EMPLOYEES WITH RESPECT TO THEIR AGE GROUPS

TABLE 6: LIFE SATISFACTION OF FEMALE EMPLOYEES

Age group	Number (N)	Mean	S.D.	F
<25 years	11	34.09	2.80	

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25-35 yrs	20	39.25	5.29	20.41
35-45 yrs	10	44.20	4.63	
45-55 yrs.	09	48.88	3.98	

In the study the female employees at the age of 45-55 yrs are highly satisfied than whose age is less than 25 years, between 25-35 years and between 35-45 years respectively. There is a significant difference in the general life satisfaction of female employees with respect to their age groups. The calculated value of F= 20.41 which is more than the table value 4.31 with d.f v1= 3 and v2= 47, hence the hypothesis is accepted. After the age of 45yrs a female is satisfied with her position in an organization, little bit free from children's responsibilities and a mental peace is their as her spouse is in good position, having their own house etc are the factors which make them more satisfied in their life. This shows that among female employees the general satisfaction of life differs with a different age group. So the females who are married having children's are more satisfied in their life than unmarried females. The observation showed that only 36% of female employees below 25 years, 75% of 25-35 yrs of age, 80% of 35-45 years of age and female employees with an age of 45-55 years favored this statement "How much are they satisfied in terms of leading a stoic state of mind in the present form of living". This indicates that female unmarried employees are more career conscious than married employees.

RECOMMENDATIONS

The research undertaken indicates that female professionals are continuously making an afford to manage a proper balance between their family and work. The organizations are also putting their best to retain the female employees as the study showed that there was no difference in the quality of work life of male and female professionals.

It is important to note that the female professionals are less satisfied in there general life than the male employees. As many women professionals agreed that they are over burden with the family responsibilities. Due to this they are not able to utilize their full potential at work. A significant percentage of the female respondents showed their strong preference for other things being important in their life than work and they avoid taking extra duties and responsibilities.

From the research it was very clear that the women professionals in public sector organizations are more satisfied than at private sector organizations. As the facility and policies provided at public sector organizations help them to develop a system where they can establish a balance and best utilize their potentials. More than 75% of the women professional at private sector organizations agreed that "they are insecure about their job and are over burden with the duration and the workload in their organization".

Among the female professions between the age group of 45-55yrs are more satisfied in their life. This indicates that women professionals reaching the middle of their career, the work-family conflict increases a lot and they are not able to manage it properly. Thus it shows that the organization policies are not much supportive for the women professionals in managing the balance between work-life. So, the organization needs to recognize the dual responsibilities of female professionals and need to develop a system where they can build a balance between work and life.

The results of this study throw up a number of issues that are to taken into consideration by the organization on priority basis to boost the female professionals. The female professionals face family challenges due to which it hampers the organizational progress. It is to be understood that the burden of managing work and family among the women professionals can result in negative mental and physiological health outcomes like, high blood pressure, headache, depression etc. Along with it acts as a barrier in their career. In this competitive environment, when the numbers of women professionals are increasing rapidly, the organization must think for providing better quality of life. They should think on the sensitive issues of making a family-friendly environment.

The organization should go for flexible working hours, childcare, telecommuting, job-sharing, emergency care facilities for children and elders and also support them for non-work commitments. It would help the organization to pool the talented women professionals at every level. The Indian organization has to understand that societal expectations and family responsibilities do come in the way of female professionals and their career. The organization should encourage family-friendly practices. They should ensure for various work-life requirements which would help the women professionals to balance their work and family responsibilities.

It's very necessary to understand that the married woman with children requires more organizational support than the unmarried and married females with no children. So it's the prime responsibility of the employers to take care while designing the human resource policies so that they can best utilize the women's potential.

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